THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wang On Properties Limited 宏安地產有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

宏 安 地 產
WANG ON PROPERTIES

WANG ON PROPERTIES LIMITED
宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

(1) VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE DISPOSAL OF THE SALE SHARES
AND ASSIGNMENT OF THE SALE LOAN
AND
(2) NOTICE OF SPECIAL GENERAL MEETING

A letter from the Board is set out on pages 6 to 17 of this circular.

A notice convening the SGM to be held at 18/F, Prince's Building 10 Chater Road, Central, Hong Kong, Hong Kong on Thursday, 11 July 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you are able to attend and vote in person at the SGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

21 June 2024

* *For identification purpose only*

CONTENTS

In this circular, unless the context otherwise specifies, the following expressions have the following meanings:

"associates", "close associates", "connected persons" and "percentage ratio"	each has the meaning as ascribed to it under the Listing Rules
"Bank Consent and Loan Extension"	the consent of the lender of the Existing Project Company Bank Loan to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement and the extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser
"Board"	the board of Directors
"CAP"	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 149) and a listed subsidiary which is indirectly held as to approximately 57.09% by the Company
"Chevalier"	Chevalier International Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 25)
"Chevalier Shareholder"	Lofty Ideal Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Chevalier and holder of 50% of the issued shares of the Purchaser
"Company"	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243) and a 75%-owned listed subsidiary of WOG
"Comparable Land Parcels"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Consideration"
"Comparable Land Transactions"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Consideration"

"Completion"	completion of the sale and purchase of the Sale Shares and the assignment of the Sale Loan under the Sale and Purchase Agreement
"Completion Date"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Completion"
"Completion Payment"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Consideration"
"Conditions"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Conditions Precedent"
"Consideration"	the consideration payable by the Purchaser to the Seller for the Sale Shares and the Sale Loan under the Sale and Purchase Agreement, subject to adjustments, being the Initial Consideration and the Further Consideration
"Deposit"	has the meaning as defined in the section headed "THE SALE AND PURCHASE AGREEMENT – Consideration"
"Directors"	the directors of the Company
"Disposal"	the disposal of the Sale Shares and the assignment of the Sale Loan by the Seller to the Purchaser pursuant to the Sale and Purchase Agreement
"Existing Permissible GFA"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Consideration"
"Existing Project Company Bank Loan"	the loan and banking facilities granted to the Project Company as borrower by a third-party bank in Hong Kong for the purpose of, among other things, financing the acquisition of the Property
"Existing WOP Bank Loan"	the loan and banking facilities granted to the Company as borrower by a third-party bank in Hong Kong for the purpose of, among other things, financing the acquisition of the Property
"Further Consideration"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Consideration"

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Initial Consideration"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Consideration"
"Latest Practicable Date"	17 June 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	(a) 10 July 2024, in the event that the Bank Consent and Loan Extension is not obtained on or before 19 June 2024; or (b) 31 July 2024 (or such later date as the Seller, the Purchaser and the Company may from time to time agree in writing) in the event that the Bank Consent and Loan Extension is obtained on or before 19 June 2024
"Macau"	the Macau Special Administrative Region of the PRC
"Manager"	Wang On Asset Management Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Planning Application Approval"	the approval by the Town Planning Board in February 2024 of the application by the Project Company for permission of the proposed minor relaxation of plot ratio restriction for certain zone at the Property pursuant to section 16 of the Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong)
"PRC" or "Mainland China"	the People's Republic of China, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
"Project"	the project involving the completion by the Project Company of the redevelopment of the Property, the particulars of which are set out in the section headed "LETTER FROM THE BOARD – INFORMATION OF THE TARGET COMPANY, THE PROPERTY AND THE PROJECT"

"Project Company"	New Grand Limited 樂傲有限公司, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company and the sole registered, legal and beneficial owner of the Property
"Property"	all those pieces or parcels ground registered in the Land Registry of Hong Kong as Yau Tong Inland Lot No. 30 and Yau Tong Inland Lot No. 31 and of and in the messuages erections and buildings thereon now known as Yau Tong Industrial Building Block 4, Nos. 18 & 20 Sze Shan Street, Kowloon, Hong Kong, the particulars of which are set out in the section headed "LETTER FROM THE BOARD – INFORMATION OF THE TARGET COMPANY, THE PROPERTY AND THE PROJECT"
"Purchaser"	Divine Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect 50%-owned joint venture of each of the Company and Chevalier
"Redemption Amount"	the outstanding amount owing in respect of the Existing Project Company Bank Loan, amounting to approximately HK$322.5 million as at the Latest Practicable Date
"Remaining Group"	the Group immediately after completion of the Disposal
"Sale and Purchase Agreement"	the sale and purchase agreement dated 28 March 2024 entered into among the Seller, the Purchaser and the Company in relation to the Disposal
"Sale Loan"	the loan owing by the Project Company to the Seller as at Completion (including all the principal and interests accrued thereon, if any), amounting to approximately HK$724.6 million as at the Latest Practicable Date
"Sale Shares"	100 issued ordinary shares of the Target Company, representing the entire issued share capital of the Target Company legally and beneficially owned by the Seller prior to Completion
"Seller"	Top List Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Disposal

"Share(s)"	the ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Shareholders' Agreement"	has the meaning as defined in the section headed "LETTER FROM THE BOARD – THE SALE AND PURCHASE AGREEMENT – Parties"
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Target Company"	Beam Up Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Seller prior to Completion and the direct holding company of the Project Company
"Target Group"	the Target Company and the Project Company
"US$"	United States dollar(s), the lawful currency of the United States of America
"WOG"	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
"WOG Group"	WOG and its subsidiaries
"WOP Shareholder"	New Honour Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company and holder of 50% of the issued shares of the Purchaser
"WYT"	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897), an approximate 72.02%-owned listed subsidiary of the Company
"%"	per cent

宏 安 地 產
WANG ON PROPERTIES

WANG ON PROPERTIES LIMITED
宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

Executive Directors:
Mr. Tang Ho Hong *(Chief Executive Officer)*
Ms. Ching Tak Won Teresa

Independent non-executive Directors:
Mr. Li Wing Sum Steven
Mr. Sung Tsz Wah
Sr Dr. Leung Tony Ka Tung
Dr. Chan Ho Wah Terence

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 3201, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

21 June 2024

To the Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF THE SALE SHARES AND ASSIGNMENT OF THE SALE LOAN AND (2) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 28 March 2024 jointly issued by the Company and WOG, pursuant to which the respective board of directors of the Company and WOG announces that on 28 March 2024, the Seller (an indirect wholly-owned subsidiary of the Company) and the Company (as the Seller's guarantor) entered into the Sale and Purchase Agreement with the Purchaser (an indirect 50%-owned joint venture of the Company), pursuant to which (a) the Seller conditionally agreed to sell and the Purchaser conditionally agreed to purchase (i) the entire issued share capital in the Target Company (i.e. the Sale Shares) and (ii) the loan owing by the Project Company to the Seller as at Completion (i.e. the Sale Loan), at the aggregate Consideration of approximately HK$797,080,516 (subject to adjustment) subject to the terms of the Sale and Purchase Agreement; and (b) the Company agreed to guarantee the due, proper and punctual performance and compliance by the Seller of its obligations under the Sale and Purchase Agreement.

The purpose of this circular is to provide you with, amongst other things, (a) further details in respect of the transaction contemplated under the Sale and Purchase Agreement; (b) a property valuation report on the Property; (c) other information as required to be disclosed under the Listing Rules; and (d) a notice of SGM at which the necessary resolution(s) will be proposed for the Shareholders for the purpose of considering, and, if thought fit, to approve, among other matters, the Disposal.

THE SALE AND PURCHASE AGREEMENT

Date

28 March 2024

Parties

(a) the Seller, an indirect wholly-owned subsidiary of the Company, as seller;

(b) the Purchaser, an indirect 50%-owned joint venture of the Company, as purchaser; and

(c) the Company, as the Seller's guarantor.

The Purchaser is a joint venture established on 28 March 2024 pursuant to the terms of the shareholders' agreement dated 28 March 2024 among the WOP Shareholder (an indirect wholly-owned subsidiary of the Company), the Company (as the WOP Shareholder's guarantor), the Chevalier Shareholder (an indirect wholly-owned subsidiary of Chevalier), Chevalier (as the Chevalier Shareholder's guarantor) and the Manager (as project manager of the Project), with its shares being directly held as to 50% by the WOP Shareholder and 50% by the Chevalier Shareholder. Therefore, the Purchaser is owned as to 50% indirectly by the Company and 50% indirectly by Chevalier.

The Purchaser is a single purpose vehicle formed for the owning and development of the Project for sale purpose which is of a revenue nature in the ordinary and usual course of business of the Company. The arrangements in respect of the formation of the Purchaser as joint venture between the Company and Chevalier were made on an arm's length basis and on normal commercial terms. Furthermore, the Shareholders' Agreement contains clauses to the effect that the Purchaser as joint venture may not, without the unanimous consent of the Company and Chevalier, (a) change the nature or scope of its business; or (b) enter into any transactions which are not on arm's length basis.

Accordingly, the formation of the Purchaser as joint venture pursuant to the terms of the Shareholders' Agreement does not in itself constitute a notifiable transaction of the Company pursuant to Rule 14.04(1)(f) of the Listing Rules and is therefore exempt from the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, each of Chevalier and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

Subject Matter

Pursuant to the Sale and Purchase Agreement, (a) the Seller conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company) and assign the Sale Loan (representing the entire loan owed by the Project Company to the Seller as at Completion) to the Purchaser free from all encumbrances; and (b) the Company agreed to guarantee the due, proper and punctual performance and compliance by the Seller of its obligations under the Sale and Purchase Agreement.

Consideration

The Consideration for the Sale Shares and the Sale Loan shall comprise the following:

(a) ***Initial Consideration:*** HK$797,080,516, being the sum of, (i) the agreed value of the Property calculated based on the gross floor area currently permitted for the Project of 291,757 square feet (the "**Existing Permissible GFA**") and an agreed per-square-foot price of HK$2,732; and (ii) the pro forma net asset value of the Target Group subject to customary completion accounts adjustment (the "**Initial Consideration**"); and

(b) ***Further Consideration:*** being approximately HK$53 million as at the Latest Practicable Date, which is calculated based on (i) the excess gross floor area of the Project by deducting the sum of (A) the gross floor area of the government accommodation provided for under the relevant land grant(s) based on the Planning Application Approval and (B) the Existing Permissible GFA, from the actual total gross floor area of the Project permissible based on the first general building plan of the Project to be approved by the Building Authority; and (ii) the aforesaid agreed per-square-foot price (the "**Further Consideration**"). There is no limit on the value of the Further Consideration under the Sale and Purchase Agreement, and in any case, it would not be negative. It is expected that the Project Company will submit the first general building plan to the Building Authority in June 2024 for the application for the approval by the Building Authority of the Project with excess gross floor area.

The Consideration was arrived at after arm's length negotiations between the Seller and the Purchaser, and it was derived from (a) the Existing Permissible GFA; and (b) the aforesaid agreed per-square-foot price of HK$2,732, which was determined by taking into consideration (i) the records available to the Company in respect of five latest comparable land transactions for residential development in Kowloon comprising two transactions in Kai Tak, two transactions in Yau Ma Tei and one transaction in Tai Kok Tsui between September 2022 and March 2024 with per-square-foot price ranging between approximately HK$5,400 to approximately HK$8,600 (the "**Comparable Land Transactions**"); and (ii) the expected land premium from lease modification of the Property (to be paid by the Purchaser), which will be assessed by the Lands Department based on the difference in the land value of the Property before and after its lease modification, taking into account the specific attributes of the Property, such as permissible gross floor area, usage, etc.

The Comparable Land Transactions comprise the following:

Transaction Date	**Location of the Comparable Land Parcels**	**Approximate Permissible Gross Floor Area** *(square feet)*	**Approximate Consideration** *(HK$ Million)*	**Approximate Per-square-foot Price** *(HK$)*
September 2023	Kai Tak	992,300	5,350	5,400
September 2023	Tai Kok Tsui	81,000	697	8,600
January 2023	Yau Ma Tei	17,400	118	6,800
December 2022	Kai Tak	1,417,900	8,703	6,100
September 2022	Yau Ma Tei	23,226	145	6,200

The Comparable Land Transactions were selected and were determined as comparable to the Disposal on the basis that, among others, (a) in terms of location, the land parcels subject to the Comparable Land Parcels (the "**Comparable Land Parcels**") and the Property are all located in Kowloon; (b) in terms of the type of land use, the Comparable Land Parcels and the Property are all for residential development; and (c) in terms of the time of the transactions, the Comparable Land Transactions were entered into within 1.5 years from the date of the Sale and Purchase Agreement.

The abovementioned land premium is estimated to be approximately HK$1,068.5 million based on the standard rate for calculation of premium issued by the Lands Department. Based on the sum of the Initial Consideration and the estimated land premium in respect of the Property, the per-square-foot price is estimated to be approximately HK$6,400, which is within the range of the approximate per-square-foot prices of the Comparable Land Transactions.

As disclosed in the valuation report set out in Appendix IV to this circular, the valuation of the Property at approximately HK$1,820 million is arrived at on the basis that the Group has completed and obtained all relevant approvals for the aforesaid town planning application and land grant modification application for the proposed residential/commercial development as mentioned above with full settlement of all land premium charged by the Hong Kong Government in connection with such applications. Hence, after deducting the land premium of approximately HK$1,068.5 million from the aforesaid valuation, the cost of the Property would stand at approximately HK$751.5 million, which is below the amount of the Initial Consideration.

In light of the above, the Board is of the view that the terms of the Disposal (including the Consideration) are fair and reasonable and in the interest of the Company and the Shareholders.

The Consideration has been/shall be satisfied and paid as follows:

(a) a deposit (the "**Deposit**") in the sum of HK$39,854,026 (which represents 5% of the agreed value of the Property calculated based on the Existing Permissible GFA and the aforesaid agreed per-square-foot price) has been paid by the Purchaser to the Seller upon signing of the Sale and Purchase Agreement as deposit and part payment of the Initial Consideration;

(b) an amount equal to the balance of the Initial Consideration after deducting the Deposit therefrom (such balance shall be referred to as the "**Completion Payment**") shall be paid by the Purchaser at Completion in the following manner:

(i) in the event that, no later than fourteen (14) business days prior to the Completion Date, the lender of the Existing Project Company Bank Loan has not granted its consent to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement, and neither extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser nor refinancing of the Existing Project Company Bank Loan after Completion on terms and conditions acceptable to the Purchaser has been obtained,

(A) a sum equal to the Redemption Amount shall be made payable by the Purchaser directly to the lender of the Existing Project Company Bank Loan;

(B) a sum equal to the balance of the Completion Payment (being the balance remaining after deducting the Redemption Amount from the Completion Payment) shall be paid by the Purchaser to the Seller or the Seller's solicitors firm; or

(ii) in the event that, no later than fourteen (14) business days prior to the Completion Date, the lender of the Existing Project Company Bank Loan has granted its consent to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement, and either extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser or refinancing of the Existing Project Company Bank Loan after Completion on terms and conditions acceptable to the Purchaser has been obtained, the Completion Payment shall be paid by the Purchaser to the Seller or the Seller's solicitors firm;

(c) an amount in respect of the aforesaid customary completion accounts adjustment shall be paid by the Purchaser to the Seller or by the Seller to the Purchaser (as the case may be) within five (5) business days after the agreement or determination of the completion accounts; and

(d) an amount equal to the Further Consideration shall be paid by the Purchaser to the Seller within ten (10) business days after the date on which the Lands Department grants it approval of the application for modification of the relevant land grant(s) to allow the redevelopment of the Property to proceed in accordance with the Planning Application Approval.

Save and except payment of the Deposit which shall be made by cheque(s), the Consideration shall be paid by cashier's order(s), cheque(s), remittance to the relevant bank account in immediately available funds or such other method(s) as the Purchaser and the Seller may agree in writing.

Conditions Precedent

Completion is conditional upon the following conditions (the "**Conditions**") being satisfied (and/or waived by the Purchaser) on or before the Completion Date:

(a) the Project Company being able to provide and give a good title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);

(b) there being no breach of any warranties and undertakings given by the Seller as set out in the Sale and Purchase Agreement in any material respects which will have a material impact on the transactions contemplated under the Sale and Purchase Agreement;

(c) there being no breach of any of the relevant pre-Completion undertakings, covenants or agreements of the Seller and/or the Company (if any) as set out in the Sale and Purchase Agreement in any material respects;

(d) each of WOG and the Company having obtained the approval of their respective shareholders in respect of the Disposal contemplated under the Sale and Purchase Agreement and complied with all applicable requirements under the Listing Rules in respect of the Disposal;

(e) Chevalier and its affiliates having complied with all applicable requirements under the Listing Rules as may be required by the Stock Exchange for the consummation of the transactions contemplated under the Sale and Purchase Agreement;

(f) the pro forma completion accounts having been prepared and delivered by the Seller to the Purchaser;

(g) the Existing WOP Bank Loan having been fully repaid and all security arrangements created for the Existing WOP Bank Loan having been released and/or discharged;

(h) the restructuring of the loans and indebtedness owed (i) by the Project Company to the Target Company; (ii) by any of the Project Company and the Target Company to the Seller; and (iii) by any of the Project Company and the Target Company (on the one hand) to any affiliate of the Seller, the Company and/or WOG (on the other hand) having been completed, so that except the Sale Loan, no such loans and indebtedness remain outstanding at Completion;

(i) there being no encumbrances over the Sale Shares or the Sale Loan or the Property, except the security arrangements created for the Existing Project Company Bank Loan, subject to no later than fourteen (14) business days prior to the Completion Date, the lender of the Existing Project Company Bank Loan having granted its consent to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement, and either extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser or refinancing of the Existing Project Company Bank Loan after Completion on terms and conditions acceptable to the Purchaser having been obtained;

(j) no material adverse change in respect of the financial condition of the Target Group and/or the Property having taken place;

(k) no petition having been presented for the bankruptcy or winding up or liquidation of any of the Project Company, the Target Company, the Seller or the Company, and none of them having made any composition or arrangement with its creditors or entered into a scheme of arrangement, and no provisional liquidator, receiver or manager having been appointed over any of their assets or undertaking; and

(l) copies of the Certificate of Good Standing and the Certificate of Incumbency of each of the Target Company and the Seller dated not more than three (3) business days prior to Completion having been delivered to the Purchaser.

The Purchaser may at any time on or before the Completion Date waive in writing any of the Conditions (a) to (c) and (f) to (l) set out above. Conditions (d) and (e) set out above cannot be waived. In the event that no compliance requirements under the Listing Rules by Chevalier and its affiliates are required by the Stock Exchange prior to Completion for the consummation of the transactions contemplated under the Sale and Purchase Agreement, the above Condition (e) shall be deemed to have been satisfied on or before the Completion Date.

Provided that the above Condition (e) has been satisfied or deemed to be satisfied, if any of the Conditions (which have not previously been waived, other than the above Condition (d) which cannot be waived) has not been satisfied on or before the Long Stop Date, the Purchaser may elect to terminate the Sale and Purchase Agreement, pursuant to which all rights and obligations of the Seller and the Purchaser under the Sale and Purchase Agreement will cease immediately upon termination and the Deposit shall be returned to the Purchaser immediately and in any event within five (5) business days of such termination.

As at the Latest Practicable Date, Conditions (b), (c), (e), (i), (j), and (k) set out above have been fulfilled.

Completion

Completion shall take place in the Hong Kong office of the Seller's solicitors firm (or at such other place as the Seller and the Purchaser may mutually agree in writing) on a date which is the later of (i) the date falling on the expiry of ten (10) business days after the date of the Seller's notice to the Purchaser informing the Purchaser of the satisfaction of Condition (d) set out above; (ii) the date falling on the expiry of ten (10) business days after the date of the Purchaser's notice to the Seller informing the Seller of (A) any requirement raised by the Stock Exchange for Chevalier and/or its affiliates to take any action to comply with any requirements under the Listing Rules prior to consummation of the transactions contemplated under the Sale and Purchase Agreement, and (B) in the event that such requirement arises, the satisfaction of Condition (e) set out above; or (iii) the date falling on the expiry of ten (10) business days after all Conditions have been satisfied or waived by the Purchaser (subject to Conditions (d) and (e) set out above not being able to be waived) (which in any event shall not be later than the Long Stop Date) (the "**Completion Date**").

Upon Completion, the Target Company will cease to be a subsidiary of the Group, and its financial results will no longer be consolidated into the consolidated financial statements of the Group. However, the Group will still hold an indirect 50% interest in the Target Company through the Purchaser.

At Completion, the Property will be delivered to the Purchaser indirectly through the Target Company and the Project Company on an as-is basis.

INFORMATION OF THE TARGET COMPANY, THE PROPERTY AND THE PROJECT

The Target Company is incorporated in the British Virgin Islands with limited liability for property holding purpose with no other major assets besides its indirect interests in the Property. The Target Company is an indirect wholly-owned subsidiary of the Company prior to Completion and it directly holds the Project Company, which is the sole registered, legal and beneficial owner of the Property.

The total site area of the Property is approximately 41,676 square feet and it comprises all those pieces or parcels ground registered in the Land Registry of Hong Kong as Yau Tong Inland Lot No. 30 and Yau Tong Inland Lot No. 31 and of and in the messuages erections and buildings thereon now known as Yau Tong Industrial Building Block 4, Nos. 18 & 20 Sze Shan Street, Kowloon, Hong Kong. The Group completed the acquisition of the Property in May 2023 at the total cost of approximately HK$940.6 million.

The Project involves (a) the completion by the Project Company of the construction of a composite residential development with two residential blocks, car parking spaces, non-domestic floor space for commercial use and government accommodation provided for under the relevant land grant(s) to be erected following redevelopment of the Property; and (b) the subsequent disposal by the Project Company of the relevant redeveloped properties for profits.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is a summary of the audited financial information of the Target Group for the two financial years ended 31 March 2022 and 2023:

	For the year ended 31 March	
	2022	**2023**
	Approximately	*Approximately*
	HK$'000	*HK$'000*
	(audited)	(audited)
Net loss before taxation	1,008.08	471.02
Net loss after taxation	1,008.08	471.02

The unaudited consolidated net liability position of the Target Group as at 31 March 2024 was approximately HK$193.0 million.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Having considered the Initial Consideration and the Further Consideration and the unaudited consolidated net liability position of the Target Group as at 31 March 2024 and the Purchaser being an indirect 50%-owned joint venture of the Company, it is estimated that upon Completion, the total assets of the Group will decrease by approximately HK$516.62 million. The total liabilities of the Group will decrease by approximately HK$322.94 million. It is estimated that the net assets of the Group will have a decrease of approximately HK$193.68 million, being the net effect of the changes of the total assets and total liabilities of the Group.

It is estimated that the Group will record no gain or loss on the Disposal, which is calculated based on the sum of (i) the unaudited consolidated net liability position of the Target Group of approximately HK$193.0 million as at 31 March 2024; (ii) the Sale Loan of approximately HK$724.6 million minus (x) the Initial Consideration of approximately HK$797.1 million, (y) the Further Consideration of approximately HK$53.0 million and (z) net asset value adjustment of approximately HK$4.0 million; and (iii) Redemption Amount of approximately HK$322.5 million. The Company confirms that the loss on the Disposal of approximately HK$249.42 million as previously mentioned in the announcement dated 28 March 2024 jointly issued by the Company and WOG is now superseded. The discrepancy between HK$249.42 million and nil arises from the reference date and the fact that the aforesaid HK$249.42 million did not take into account all the pro forma adjustments which have been now reflected in Appendix III to this circular. The actual loss will be subject to review by the auditors of the Company.

The excess of the Initial Consideration of approximately HK$797.08 million over the unaudited net liability position of the Target Group as at 31 March 2024 amounted to approximately HK$990.08 million.

The net proceeds in the amount of approximately HK$524.55 million (being the Initial Consideration and the Further Consideration net the sum of the above expenses and the Redemption Amount) will be used as the general working capital of the Group and the capital commitment relating to the formation of the Purchaser.

INFORMATION OF THE SELLER

The Seller is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

INFORMATION OF THE WOG GROUP, THE COMPANY AND THE GROUP

The WOG Group was principally engaged in (a) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (b) property investment, property development and asset management in Hong Kong through the Company, its 75.00%-owned listed subsidiary; (c) manufacturing and retailing of pharmaceutical and health food products through WYT, its approximately 72.02%-owned listed subsidiary; and (d) management and sale of properties in agricultural produce exchange markets in the PRC through CAP (a listed subsidiary of WOG), which was indirectly held as to approximately 57.09% by WOG. WOG was ultimately owned by Mr. Tang Ching Ho (the chairman, an executive director and controlling shareholder of WOG) (together with his associates) as to approximately 42.80%.

The Group was principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation and asset management. The Company was owned by WOG as to 75.00%, which was in turn ultimately owned by Mr. Tang Ching Ho (together with his associates) as to approximately 42.80%.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is a joint venture established on 28 March 2024 pursuant to the terms of the Shareholders' Agreement as a single purpose vehicle formed for the owning and development of the Project for sale purpose. The Purchaser is owned as to 50% indirectly by the Company and 50% indirectly by Chevalier. The principal activities of Chevalier and its subsidiaries are construction and engineering, property investment, property development and operations, healthcare investment and car dealership and others.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Disposal will allow the Company to operate the Project through the Purchaser, which is expected to improve the liquidity of the Company as the Project will no longer be wholly-owned. Accordingly, the Disposal will enable the Company to reallocate its resources into future investment opportunities, funding needs (including those regarding the Project which will no longer be wholly-owned) and pursue other growth opportunities, respectively.

The Directors consider that the Disposal and the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 75% for the Company, the Disposal constitutes a very substantial disposal for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE SGM

The notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular. The SGM will be convened at 18/F, Prince's Building 10 Chater Road, Central, Hong Kong, Hong Kong, on Thursday, 11 July 2024 at 11:00 a.m. for the Shareholders to consider and, if thought fit, to approve the Disposal. The record date for the determination of the entitlement to attend and vote at the SGM will be the close of business on Thursday, 11 July 2024. In order to qualify for attending the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than Friday, 5 July 2024 at 4:30 p.m., Hong Kong time.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend and vote at the SGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment (as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such case, the form of proxy shall be deemed to be revoked.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their close associates has any material interest in the Disposal, thus no Shareholder is required to abstain from voting at the SGM.

In addition, save as disclosed in this circular and to the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

VOTING UNDERTAKINGS OBTAINED

Mr. Tang Ching Ho has irrevocably undertaken to WOG to vote all of the shares in WOG beneficially held by him and held through entities wholly-owned by him, being 1,045,941,645 shares in WOG (representing approximately 7.4% of the total issued share capital of WOG as at the Latest Practicable Date), in favour of the resolutions to be proposed at WOG's special general meeting, whereas WOG has irrevocably undertaken to the Company to vote all of the Shares directly or indirectly held by it, being

11,400,000,000 Shares (representing 75% of the total issued share capital of the Company), in favour of the resolutions to be proposed at the Company's special general meeting, subject to obtaining the requisite approval from WOG's shareholders in accordance with the Listing Rules.

SPECIAL NEEDS

If you have any particular access request or special needs for participating in the SGM, please do not hesitate to contact the Company via email at pr@woproperties.com or by telephone at (852) 2312 8288 on or before 4 July 2024.

RECOMMENDATION

For the reasons set out above, the Directors consider that the Disposal and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Tang Ho Hong
Executive Director and Chief Executive Officer

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2021, 2022 and 2023 are disclosed in the annual reports of the Company for the years ended 31 March 2021 (pages 76 to 218), 2022 (pages 87 to 249) and 2023 (pages 83 to 249), and the interim report of the Company for the six months ended 30 September 2023 (pages 25 to 68), respectively, which are published on both the websites of HKExnews (www.hkexnews.hk) and the Company (www.woproperties.com) and which can be accessed by the direct hyperlinks below:

(1) annual report of the Company for the year ended 31 March 2021 dated 27 July 2021 (pages 76 to 218):

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0727/2021072700179.pdf

(2) annual report of the Company for the year ended 31 March 2022 dated 22 July 2022 (pages 87 to 249):

www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200591.pdf

(3) annual report of the Company for the year ended 31 March 2023 dated 27 July 2023 (pages 83 to 249):

www1.hkexnews.hk/listedco/listconews/sehk/2023/0727/2023072701406.pdf

(4) interim report of the Company for the six months ended 30 September 2023 dated 21 December 2023 (pages 25 to 68):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1221/2023122100425.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 April 2024, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had outstanding bank and other loans of approximately HK$4,852.2 million, of which bank loans with an aggregate amount of approximately HK$2,568.0 million were secured by the Group's property, plant and equipment, investment properties and certain rental income generated therefrom, properties held for sale, properties under development, financial assets at fair value through profit or loss and share charges in respect of the entire interests of certain subsidiaries of the Group which are engaged in property investment and development. As at 30 April 2024, the Group also provided guarantees to banks in respect of banking facilities extended to joint ventures in an amount not exceeding HK$370.4 million. In addition, the Group's lease liabilities amounted to approximately HK$7.4 million as at 30 April 2024.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 30 April 2024, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

3. WORKING CAPITAL STATEMENT

According to the agreements of certain bank and other borrowings of the Group, certain amounts of the Group's bank and other borrowings will be due and repayable within the next 12 months from the date of this circular. In consideration of that, the Directors plan to negotiate with the relevant lenders on the refinancing of these borrowings and/or obtain new banking facilities as needed. In addition, the Directors have formulated certain plans and measures to mitigate the liquidity pressure of the Group, including accelerating pre-sales and sales of properties, speeding up collection of outstanding sales proceeds, disposal of properties projects/assets and obtaining financial support from WOG.

In the opinion of the Directors, the sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on (i) the successful obtaining of new banking facilities and/or refinancing of the existing borrowings; (ii) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, and speed up collection of outstanding sales proceeds, (iii) the successful and timely completion of the disposals of property projects/assets in accordance with the amounts and timing anticipated by the Group; and (iv) continual financial support from WOG.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the Group's ability to refinance its existing borrowings upon maturity through refinancing of existing borrowings and/or obtaining new banking facilities; (ii) the Group's internal resources, continual cash inflows from operations, and existing banking facilities available to the Group; (iii) net proceeds from disposal of the Group's properties projects/assets, including the effect of the Disposal; and (iv) the continual financial support from WOG, the Group has sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2023, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the businesses of developing residential and commercial properties for sale, investing in commercial and industrial properties for investment return and capital appreciation, and asset management. There is no change in the Group's principal activities since 31 March

2023, being the date on which the latest published audited consolidated financial statements of the Group were made up, and there is not expected to be any change to the Remaining Group's principal business as a result of completion of the Disposal.

Since 2019, the Group has implemented an asset-light business model, providing asset management services and continuously deploying additional resources to strengthen its business. By forming joint ventures with different strategic partners in residential development and commercial investment to jointly develop suitable properties, the Group acts as the asset manager to manage these jointly owned projects. As at 30 September 2023, the Group's development portfolio includes 11 commercial and residential projects with total gross floor areas of approximately 932,500 square feet. Among these 11 projects, 6 of which are under joint ventures with the Group acts as the asset manager. The Group is always exploring different channels to increases its land banks. Apart from its participation in public tenders, the Group has also actively worked on acquisitions of ownerships in old buildings with a view to providing stable land resources for further development.

The Disposal will enable the Group to reallocate its resources into future investment opportunities, funding needs (including those regarding the Project which will no longer be wholly-owned), and pursue other growth opportunities, respectively. The Group will continue to monitor market changes closely and to look for and evaluate available opportunities in property acquisition and collaboration with strategic partners to strengthen the real estate business.

Besides the property development business, the Group also engages in leasing business. As at 30 September 2023, The Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK$150.8 million.

Looking forward, the Group will continue to carry out its core strategy: "making progress while ensuring stability, continuous innovation and striving for perfection" in its business development. The Group will continue to collaborate with experienced investors to expands its asset management business, further diversify its property investment portfolio and enhance the Group's revenue.

Set out below is the unaudited consolidated financial information of the Target Group which comprises the unaudited consolidated statements of financial position of the Target Group as at 31 March 2022, 2023 and 2024, and the unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of cash flows and unaudited consolidated statements of changes in equity for the years ended 31 March 2022, 2023 and 2024 and explanatory notes.

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited consolidated statements of financial position of the Target Company and its subsidiary, New Grand Limited (collectively, "**Target Group**"), as at 31 March 2022, 2023 and 2024, and the unaudited consolidated statements of profit or loss and other comprehensive income, the unaudited consolidated statements of changes in equity and the unaudited consolidated statements of cash flows of Target Group for the years ended 31 March 2022, 2023 and 2024 and explanatory notes (the "**Unaudited Consolidated Financial Information**"). The Unaudited Consolidated Financial Information has been prepared in accordance with rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on Stock Exchange and the basis of presentation and preparation as set out in Notes 2 and 3, respectively, to the Unaudited Consolidated Financial Information. The Unaudited Consolidated Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company's reporting accountants, Ernst & Young, were engaged to review the unaudited financial information of the Target Group as set out on pages II-2 to II-7 in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) *Engagements to Review Historical Financial Statements* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. Based on the review, nothing has come to the reporting accountants' attention that causes them to believe that the Unaudited Consolidated Financial Information is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 2 and 3, respectively, to the Unaudited Consolidated Financial Information.

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Years ended 31 March 2022, 2023 and 2024

	Unaudited		
	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Other income	162	3,396	979
Administrative expenses	(1,170)	(3,867)	(1,908)
Write-down of properties under development	–	–	(187,827)
LOSS BEFORE TAX	(1,008)	(471)	(188,756)
Income tax	–	–	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(1,008)	(471)	(188,756)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

31 March 2022, 2023 and 2024

	Unaudited		
	31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
NON-CURRENT ASSET			
Properties under development	736,359	898,481	850,125
CURRENT ASSETS			
Prepayments, deposits and other receivables	5,273	13,253	4,312
Cash and cash equivalents	2,174	2,967	2,855
Total current assets	7,447	16,220	7,167
CURRENT LIABILITIES			
Other payables and accruals	(710)	(3,985)	(464)
Interest-bearing bank borrowings	(269,202)	(322,141)	(322,472)
Due to the WOP Group	(474,916)	(590,068)	(724,605)
Total current liabilities	(744,828)	(916,194)	(1,047,541)
NET CURRENT LIABILITIES	(737,381)	(899,974)	(1,040,374)
NET LIABILITIES	(1,022)	(1,493)	(190,249)
DEFICIENCY IN ASSETS			
Issued capital	–*	–*	–*
Accumulated losses	(1,022)	(1,493)	(190,249)
Total deficiency in assets	(1,022)	(1,493)	(190,249)

** Less than $500*

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended 31 March 2022, 2023 and 2024

	Unaudited		
	Issued capital	**Accumulated losses**	**Total deficiency in assets**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2021	–*	(14)	(14)
Loss and total comprehensive loss for the year	–	(1,008)	(1,008)
At 31 March 2022 and 1 April 2022	–*	(1,022)	(1,022)
Loss and total comprehensive loss for the year	–	(471)	(471)
At 31 March 2023 and 1 April 2023	–*	(1,493)	(1,493)
Loss and total comprehensive loss for the year	–	(188,756)	(188,756)
At 31 March 2024	–*	(190,249)	(190,249)

** Less than $500*

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended 31 March 2022, 2023 and 2024

	Unaudited		
	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(1,008)	(471)	(188,756)
Adjustment for:			
Write-down of properties under development	–	–	187,827
Interest income	–	(4)	(18)
	(1,008)	(475)	(947)
Increase in properties under development	(735,259)	(151,308)	(119,230)
Decrease/(increase) in prepayments, deposits and other receivables	(5,273)	(7,980)	8,941
Increase/(decrease) in other payables and accruals	710	3,275	(3,521)
Net cash flows used in operating activities	(740,830)	(156,488)	(114,757)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	–	4	18
Net cash flows from investing activities	–	4	18
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings	269,125	52,589	–
Advances from the WOP Group	474,902	115,152	134,537
Interest paid	(1,023)	(10,464)	(19,910)
Net cash flows from financing activities	743,004	157,277	114,627
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,174	793	(112)
Cash and cash equivalents at beginning of year	–	2,174	2,967
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,174	2,967	2,855

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
31 March 2022, 2023 and 2024

1. GENERAL

Beam Up Holdings Limited (the "**Target Company**") is a limited liability company incorporated in the British Virgin Islands ("**BVI**") on 26 November 2021. The principal activity of the Target Company is investment holding. In the opinion of the Target Company's directors, as at 31 March 2024, Top List Holdings Limited ("**Top List**"), a company incorporated in the BVI, is the immediate holding company of the Target Company, Wang On Properties Limited ("**WOP**"), a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange of Hong Kong (the "**Stock Exchange**"), is the intermediate holding company of the Target Company, and Wang On Group Limited, a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange, is the ultimate holding company of the Target Company.

On 21 December 2021, the Target Company acquired the entire equity interest in New Grand Limited (the "**Project Company**") from Famous Chief Limited ("**Famous Chief**"), a wholly-owned subsidiary of WOP, at a consideration of HK$1 (the "**Acquisition**"). The Project Company is principally engaged in property development in Hong Kong. Upon completion of the Acquisition, the Project Company became a wholly-owned subsidiary of the Target Company. The Target Company and the Project Company are hereinafter collectively referred as the "Target Group".

On 28 March 2024, Divine Glory International Limited (the "**JV Company**"), a company incorporated in the BVI, which is indirectly owned as to 50% by each of WOP and Chevalier International Holdings Limited ("**Chevalier**"), entered into a sale and purchase agreement with Top List, pursuant to which the JV Company shall purchase the entire issued shares of the Target Company and the shareholder's loans owing by the Project Company to WOP and its subsidiaries (the "**WOP Group**") at an initial consideration of HK$797,080,516 (subject to adjustment) (the "**Disposal**"). Upon completion of the Disposal, the Target Company will be 100% held by the JV Company.

2. BASIS OF PRESENTATION

The unaudited consolidated financial information of the Target Group for the years ended 31 March 2022, 2023 and 2024 (the "**Unaudited Consolidated Financial Information**") has been prepared under the going concern concept because (i) WOP has agreed to provide continual financial support and adequate funds to the Target Group up to the completion date of the Disposal to meet its liabilities as and when they fall due and not to request repayment of the amount due to the WOP Group by the Target Group until such time as the Target Group is in a position to repay such amount without impairing its financial position; and (ii) the JV Company, which has obtained capital commitment from WOP and Chevalier, has agreed to provide continual financial support and adequate funds for the Target Group from the completion date of the Disposal to meet its liabilities as and when they fall due.

3. BASIS OF PREPARATION

The Target Company and the Project Company were under the common control of WOP before and after the Acquisition. Accordingly, the unaudited consolidated financial statements have been prepared on a consolidated basis by applying the principles of merger accounting as if the Acquisition has been completed at the beginning of the reporting period.

The unaudited consolidated statements of profit or loss and other comprehensive income, the unaudited consolidated statements of changes in equity and the unaudited consolidated statements of cash flows for the years ended 31 March 2022, 2023 and 2024 include the results of all companies now comprising the Target Group from the earliest date presented.

The Unaudited Consolidated Financial Information has been prepared in accordance with Main Board Listing Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by WOP in connection with the Disposal.

The amounts included in the Unaudited Consolidated Financial Information have been recognised and measured in accordance with the relevant accounting policies of WOP, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The Unaudited Consolidated Financial Information has been prepared under the historical cost convention and is presented in Hong Kong dollar. All values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

The Unaudited Consolidated Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the HKICPA.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The following is an illustrative unaudited pro forma consolidated financial information (the "**Unaudited Pro Forma Financial Information**") of the remaining group of Wang On Properties Limited (the "**Company**") and its subsidiaries (hereafter collectively referred to as the "**Group**"), immediately after the disposal of the entire issued share capital of Beam Up Holdings Limited ("**Target Company**") and the loan owing by New Grand Limited ("**Project Company**"), a subsidiary of the Target Company (Target Company and Project Company are hereinafter collectively referred to as "**Target Group**"), to Top List Holdings Limited, a subsidiary of the Company, to Divine Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly owned as to 50% by each of the Company and Chevalier International Holdings Limited (the "**Disposal**"). The remaining group of the Group after the Disposal are hereinafter referred to as the "**Remaining Group**". The Unaudited Pro Forma Financial Information comprises the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 September 2023, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 March 2023, which have been prepared by the directors of the Company (the "**Directors**") in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of illustrating the effect of the Disposal.

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2023, which has been extracted from the published interim report of the Group for the six months ended 30 September 2023 and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 30 September 2023.

The preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group is based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2023, which have been extracted from the published annual report of the Group for the year ended 31 March 2023 and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 1 April 2022.

A narrative description of the pro forma adjustments of the Disposal that are directly attributable to the transactions and factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, it may not purport to describe the results of operations, financial position or cash flows of the Remaining Group had the Disposal been completed as at the respective dates to which it is made up to or at any future dates. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group's future results of operations, financial positions or cash flows. The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I to this circular, the published annual report of the Company for the year ended 31 March 2023, the published interim report of the Company for the six months ended 30 September 2023, the unaudited financial information of the Target Group as set out in Appendix II to this circular and other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information does not take into account any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

	The Group as at 30 September 2023		Pro forma adjustments			Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 2*	*Note 3*	*Note 5*	*Note 6*	
NON-CURRENT ASSETS						
Property, plant and equipment	92,489					92,489
Investment properties	72,000					72,000
Club membership	17,780					17,780
Properties under development	2,135,674	(850,125)	(187,827)			1,097,722
Investments in joint ventures	3,989,081					3,989,081
Debt investments at fair value through other comprehensive income	22,890					22,890
Financial assets at fair value through profit or loss	50,901					50,901
Loans and interest receivables	17,808					17,808
Deposits and other receivables	156,308					156,308
Deferred tax assets	3,965					3,965
Total non-current assets	6,558,896	(850,125)	(187,827)			5,520,944
CURRENT ASSETS						
Properties under development	2,858,499					2,858,499
Properties held for sale	50,635					50,635
Trade receivables	8,426					8,426
Loan and interest receivables	7,276					7,276
Prepayments, other receivables and other assets	195,816	(4,312)				191,504
Cost of obtaining contracts	12,006					12,006
Tax recoverable	3,288					3,288
Cash and bank balances	510,440	(2,855)		534,356	(3,100)	1,038,841
Debt investments at fair value through other comprehensive income	41,750					41,750
Financial assets at fair value through profit or loss	34,497					34,497
	3,722,633	(7,167)		534,356	(3,100)	4,246,722
Assets of disposal companies	79,098					79,098
Total current assets	3,801,731	(7,167)		534,356	(3,100)	4,325,820

	The Group as at 30 September 2023		Pro forma adjustments			Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 2*	*Note 3*	*Note 5*	*Note 6*	
CURRENT LIABILITIES						
Trade payables	59,949					59,949
Other payables and accruals	170,196	(464)				169,732
Amounts due to the Remaining Group	–	(724,605)		724,605		–
Contract liabilities	41,785					41,785
Interest-bearing bank and other borrowings	2,593,974	(322,472)				2,271,502
Tax payable	8,504					8,504
	2,874,408	(1,047,541)		724,605		2,551,472
Liabilities of disposal companies	19,250					19,250
Total current liabilities	2,893,658	(1,047,541)		724,605		2,570,722
NET CURRENT ASSETS	908,073	1,040,374		(190,249)	(3,100)	1,755,098
TOTAL ASSETS LESS CURRENT LIABILITIES	7,466,969	190,249	(187,827)	(190,249)	(3,100)	7,276,042
NON-CURRENT LIABILITIES						
Other payables and accruals	2,492					2,492
Financial liabilities at fair value through profit or loss	592					592
Interest-bearing bank and other borrowings	2,060,990					2,060,990
Deferred tax liabilities	593					593
Total non-current liabilities	2,064,667					2,064,667
Net assets	5,402,302	190,249	(187,827)	(190,249)	(3,100)	5,211,375
EQUITY						
Equity attributable to owners of the parent						
Issued capital	15,200					15,200
Reserves	5,382,218	190,249	(187,827)	(190,249)	(3,100)	5,191,291
	5,397,418	190,249	(187,827)	(190,249)	(3,100)	5,206,491
Non-controlling interests	4,884					4,884
Total equity	5,402,302	190,249	(187,827)	(190,249)	(3,100)	5,211,375

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group for the year ended 31 March 2023	Pro forma adjustments		Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 4*	*Note 6*	
REVENUE	1,991,840			1,991,840
Cost of sales	(1,662,233)			(1,662,233)
Gross profit	329,607			329,607
Other income and gains, net	93,498	(3,396)		90,102
Selling and distribution expenses	(179,493)			(179,493)
Administrative expenses	(108,169)	3,867	(3,100)	(107,402)
Other expenses	(20,974)			(20,974)
Impairment losses of financial assets, net	(17,217)			(17,217)
Finance costs	(126,760)			(126,760)
Fair value gain on investment properties, net	11,880			11,880
Fair value gains on financial instruments at fair value through profit or loss, net	3,010			3,010
Write-down of properties under development	(25,583)			(25,583)
Write-down of properties held for sale	(58,688)			(58,688)
Share of profits and losses of joint ventures	316,775			316,775
PROFIT BEFORE TAX	217,886	471	(3,100)	215,257
Income tax expense	(7,032)			(7,032)
PROFIT FOR THE YEAR	210,854	471	(3,100)	208,225

	The Group for the year ended 31 March 2023	Pro forma adjustments		Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 4*	*Note 6*	
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Debt investments at fair value through other comprehensive income:				
Changes in fair value	(35,881)			(35,881)
Reclassification adjustments for gains/losses included in profit or loss				
– loss on disposal/redemption, net	20,974			20,974
– impairment losses, net	16,865			16,865
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods:	1,958			1,958
OTHER COMPREHENSIVE INCOME FOR THE YEAR	1,958			1,958
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	212,812	471	(3,100)	210,183
Profit attributable to:				
Owners of the parent	211,066	471	(3,100)	208,437
Non-controlling interests	(212)			(212)
	210,854	471	(3,100)	208,225
Total comprehensive income attributable to:				
Owners of the parent	213,024	471	(3,100)	210,395
Non-controlling interests	(212)			(212)
	212,812	471	(3,100)	210,183

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

	The Group for the year ended 31 March 2023	Pro forma adjustments				Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax	217,886	471		(3,100)		215,257
Adjustments for:						
Finance costs	126,760					126,760
Interest income from bank deposits	(13,826)	4				(13,822)
Interest income from loan receivables	(170)					(170)
Interest income from debt investments at fair value through other comprehensive income	(18,230)					(18,230)
Interest income from finance asset at fair value through profit or loss	(5,180)					(5,180)
Gain on disposal of a joint venture	(14,551)					(14,551)
Loss on disposal/redemption of debts investment at fair value through other comprehensive income	20,974					20,974
Share of profits and losses of joint ventures	(316,775)					(316,775)
Fair value gains on investment properties, net	(11,880)					(11,880)
Fair value gains on financial assets at fair value through profit or loss, net	(3,010)					(3,010)
Impairment losses on financial assets, net	17,217					17,217
Depreciation of owned assets	1,564					1,564
Depreciation of right-of-use assets	13,353					13,353
Gain on disposal of items of property, plant and equipment	(2)					(2)
Write-down of properties under development	25,583					25,583
Write-down of properties held for sale	58,688					58,688
	98,401	475		(3,100)		95,776

	The Group for the year ended 31 March 2023	Pro forma adjustments				Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
Decrease in properties held for sale	1,640,965					1,640,965
Increase in properties under development	(1,060,200)	151,308				(908,892)
Decrease in prepayments, other receivables and other assets	55,339	7,980				63,319
Decrease in trade receivables	1,883					1,883
Increase in cost of obtaining contracts	(3,287)					(3,287)
Decrease in loans and interest receivables	14,159					14,159
Increase in trade payables	53,559					53,559
Decrease in contract liabilities	(464,388)					(464,388)
Increase in other payables and accruals	13,344	(3,275)				10,069
Cash generated from operations	349,775	156,488		(3,100)		503,163
Profit tax paid	(1,563)					(1,563)
Interest paid related to lease liabilities	(403)					(403)
Net cash flows from operating activities	347,809	156,488		(3,100)		501,197

	The Group for the year ended 31 March 2023		Pro forma adjustments			Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
Cash flows from investing activities						
Interest received	31,403	(4)				31,399
Additions to investment properties	(20)					(20)
Subscription of club membership	(16,800)					(16,800)
Purchases of items of property, plant and equipment	(1,381)					(1,381)
Proceeds from disposal of items of property, plant and equipment	9					9
Purchases of debt investments at fair value through other comprehensive income	(14,849)					(14,849)
Proceeds from disposal of debt investments at fair value through other comprehensive income	19,836					19,836
Purchase of financial assets at fair value through profit or loss	(18,483)					(18,483)
Proceeds from disposals/ redemption of financial assets at fair value through profit or loss	57,210					57,210
Proceeds from disposal of subsidiaries	279,013		534,356			813,369
Proceeds from disposal of a joint venture	20,743					20,743
Return of capital from joint venture	8,847					8,847
Repayments of loans from joint ventures	526,310					526,310
Cash advanced to joint ventures	(433,277)				(115,152)	(548,429)
Dividend received from joint ventures	126,550					126,550
Increase in non-pledged time deposits with original maturity of over three months	(258,060)					(258,060)
Net cash flows from investing activities	327,051	(4)	534,356		(115,152)	746,251

	The Group for the year ended 31 March 2023		Pro forma adjustments			Unaudited pro forma of the Remaining Group
	HK'000	*HK'000*	*HK'000*	*HK'000*	*HK'000*	*HK'000*
	Note 1	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
Cash flows from financing activities						
Interest paid	(168,308)	10,464				(157,844)
Principal portion of lease payments	(10,342)					(10,342)
Repayment of bank borrowings	(1,467,342)					(1,467,342)
New bank borrowings	862,693	(52,589)				810,104
Dividend paid	(114,000)					(114,000)
Increase in amounts due to the Remaining Group	–	(115,152)			115,152	–
Net cash flows used in financing activities	(897,299)	(157,277)			115,152	(939,424)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(222,439)	(793)	534,356	(3,100)		308,024
Cash and cash equivalents at beginning of year	833,529	(2,174)				831,355
CASH AND CASH EQUIVALENTS AT END OF YEAR	611,090	(2,967)	534,356	(3,100)		1,139,379

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

(1) The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2023, as set out in the published interim report of the Group for the six months ended 30 September 2023, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2023, as set out in the published annual report of the Group for the year ended 31 March 2023.

(2) The adjustment represents the derecognition of assets and liabilities of the Target Group as at 31 March 2024, assuming the Disposal had been taken place on 30 September 2023. The assets and liabilities of the Target Group are extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 March 2024 as set out in Appendix II to this circular

(3) The adjustment represents the write-down of the carrying amount of properties under development to its recoverable amount by the Target Group during the year ended 31 March 2024.

(4) The adjustment represents the exclusion of the results and cash flows of the Target Group for the year ended 31 March 2023, assuming the Disposal had been taken place on 1 April 2022. The results and cash flows of the Target Group are extracted from the unaudited consolidated statement of profit or loss and other comprehensive income and the unaudited consolidated statement of cash flows of the Target Group for the year ended 31 March 2023 as set out in Appendix II to this circular.

(5) The adjustment reflects the pro forma gain on the Disposal arising from the Disposal assuming that the Disposal had been completed on 1 April 2022 or 30 September 2023, as appropriate. The pro forma gain on the Disposal, which is based on the unaudited total consolidated assets minus the unaudited total consolidated liabilities other than the liability in respect of the shareholder's loans (the "**Net Asset Value**") of the Target Group as at 31 March 2024, is calculated as follows:

	Notes	**Total** *HK$'000*
Agreed Value of the Property	*(i)*	797,081
Adjustment to Initial Consideration	*(i)*	(315,769)
Initial Consideration	*(i)*	481,312
Further Consideration	*(ii)*	53,044
Total cash consideration		534,356
Less: Net Asset Value of the Target Group	*(i)*	(534,356)
Pro forma gain on the Disposal		–

Notes:

(i) The initial consideration (the "**Initial Consideration**") for the Target Group is the sum of the agreed value of the properties under development (the "**Property**") of HK$797,080,516 (the "**Agreed Value**") and the Net Assets Value of the Target Group excluding the carrying amount of the properties under development upon completion of the Disposal. The Net Assets Value of the Target Group is based on the unaudited consolidated statement of financial position as at 31 March 2024, as set out in Appendix II to this circular. The Initial Consideration and the Net Asset Value of the Target Group are calculated as follows:

	Total
	HK$'000
Total assets	857,292
Less: Total liabilities	(1,047,541)
	(190,249)
Add: Shareholder's loans	724,605
Net Asset Value of the Target Group	534,356
Less: Carrying amount of the properties under development of the Target Group as at 31 March 2024	(850,125)
Add: Agreed Value of the Property	797,081
Initial Consideration	481,312
Represented by:	
Agreed Value of the Property	797,081
Adjustment to the Initial Consideration *(Note)*	(315,769)
Initial Consideration	481,312

Note: The adjustment to the Initial Consideration is subject to change based on the final Net Asset Value of the Target Group upon completion of the Disposal.

(ii) The further consideration (the "**Further Consideration**") of HK$53,044,000 represents the expected excess gross floor area of the project involving the completion by the Project Company of the redevelopment of the Property (the "**Project**") multiplied by the agreed per-square-foot price of HK$2,732. The final excess gross floor area of the Project is the actual total gross floor area of the Project permissible based on the first general building plan of the Project approved by the Building Authority less the sum of (A) the gross floor area of the government accommodation provided for under the relevant land grant(s) based on the approval by the Town Planning Board in February 2024 on the application by the Group for permission of the proposed minor relaxation of plot ratio restriction for certain zone at the Property pursuant to section 16 of the Town Planning Ordinance (the "**Planning Application**") and (B) the existing permissible gross floor area of 291,757 square feet.

Based on the general building plan attached to the Planning Application, the expected excess gross floor area of the Project is 19,416 square feet, which is subject to the approval by the Building Authority. At such, the final excess gross floor area, and hence the final amount of the Further Consideration, are subject to changes based on the final approval by the Building Authority on the actual total gross floor area of the Project.

(6) This adjustment represents the estimated direct legal and professional costs related to the Disposal, which amounts to approximately HK$3,100,000.

(7) The adjustment represents the reclassification of the intra-group cash flows for the year ended 31 March 2023 as the Target Group is no longer companies within the Remaining Group and become subsidiaries of a joint venture of the Remaining Group after the completion of the Disposal.

(8) The above pro forma adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Group.

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

21 June 2024

To the Directors of Wang On Properties Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wang On Properties Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 September 2023, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2023, and related notes set out in section A of Appendix III of the circular dated 21 June 2024 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the disposal of the entire issued share capital of Beam Up Holdings Limited ("**Target Company**") and the loan owing by New Grand Limited to Top List Holdings Limited, to Divine Glory International Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly owned as to 50% by each of the Company and Chevalier International Holdings Limited (the "**Disposal**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in section A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal on the Group's financial position as at 30 September 2023 and the Group's financial performance and cash flows for the year ended 31 March 2023 as if the Disposal had taken place on 30 September 2023 and 1 April 2022, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Company's published annual report for the year ended 31 March 2023 and published interim report for the six months ended 30 September 2023.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") *7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation of the Seed Project as at 31 March 2024.

Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 801, 8/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, HK
香港灣仔軒尼詩道145號安康商業大廈8字樓801室

Tel : (852) 2529 9448 Fax : (852) 3521 9591

21 June 2024

The Board of Directors
Wang On Properties Limited
Suite 3201 32/F
Skyline Tower
No. 39 Wang Kwong Road
Kowloon Bay Kowloon

Dear Sirs,

Re: Valuation of the development site situated at Nos. 18-20 Sze Shan Street, Kowloon, Hong Kong

In accordance with the instructions from Wang On Properties Limited (the "**Company**") to value the property development site (the "**Seed Project**") held by the Project Company, we confirm that we have carried out inspection of the Seed Project, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Seed Project as at 31 March 2024 (the "**Valuation Date**").

BASIS OF VALUATION

Our valuation of the Seed Project represents its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Seed Project. However, we have not verified ownerships of the Seed Project or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION METHODOLOGY

In valuing the Seed Project as a development site, we have adopted the Market Approach assuming sale of each of the Seed Project in its existing state by making reference to comparable sales transactions of similar properties as identified on the market. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

Market Approach is a commonly adopted approach for valuation of development land where relevant comparable transactions as land sale evidence are available for reference to arrive at the market value. This approach rests on the market evidences as the best value indicator that can be extrapolated to similar properties. In the course of our valuation based on market approach, we have analyzed each of the comparable transactions for various factors including property location and time of transaction and have made necessary adjustments on the transaction prices. Upward adjustment is made if the comparable is inferior to the Seed Project and downward adjustment is made if the comparable is superior to the Seed Project.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Seed Project on the market in its existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Seed Project.

The market value of the Seed Project has been arrived at on the basis that the owner has completed all necessary applications to, gone through all procedures with and paid off all land premium to the Government authorities such that the Seed Project is permitted to be developed into a comprehensive residential development embedded with residential, commercial and social welfare components as at the Valuation Date.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Seed Project nor for any expenses or taxation which may be incurred in holding them. It is assumed that the Seed Project is free from encumbrances, restrictions, outgoings of an onerous nature and any third party rights, which could affect its value.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the site and floor areas in respect of the Seed Project but have assumed that the site areas and the floor areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Seed Project were last inspected on 12 April 2024 by the undersigned. She has inspected the exterior and, where possible, the interior of the buildings and structures of the Seed Project. However, no structural survey has been made for them. We are not, however, able to report whether the building and structures inspected by her are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment. During the site inspection, she has ascertained the following matters of the Seed Project as at the date of site inspection:

- the general environment and development conditions of the area in which the Seed Project is situated;
- the existing development status and the existing uses of the Seed Project;
- the occupancy of the Seed Project;
- the facilities provided by the Seed Project; and
- the existence of any closure order and resumption order affixed to the Seed Project.

The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from earthquakes or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Seed Project, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

All monetary amounts in this report are denominated in Hong Kong Dollars.

Our valuation certificate is attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property interests held by the Project Company for future development

Property	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 March 2024 *HK$*
Nos. 18-20 Sze Shan Street Kowloon Hong Kong Yau Tong Inland Lot Nos. 30 and 31	The Seed Project comprises a development site with an area of approximately 3,872.20 square metres on which a 4-storey industrial building with a total gross floor area (GFA) of approximately 12,579.04 square metres is erected. The building was completed in about 1979. It is planned to be redeveloped into two 23-storey residential towers surmounting a 3-storey podium accommodating shops, services and elderly care centre plus two basement levels for car parking and loading/unloading spaces. The proposed development shall have a total GFA of 30,074.69 square metres of which 25,036.99 square metres, 3,871.70 square metres and 1,166.00 square metres are attributable to residential units, shop/service/eatery units and elderly care centre respectively. The subject land lot of the Seed Project is roughly rectangular shape and is bounded by traffic road including Sze Shan Street and Shung Yiu Street along all its site frontage. It is falling within the central location of Yau Tong Industrial Area and generally surrounded by industrial buildings. Aligning with the planning intention of the industrial area, an increasing trend is observed in the transformation from industrial buildings within the area to a residential neighbourhood and various residential developments have been emerged in the area. Besides piecemeal redevelopment projects, massive housing development has been proposed within the Yau Tong Bay Comprehensive Development Area situated at the north of the Seed Project. Existing shopping arcades nearby the Seed Project are Domain and Lei Yue Mun Plaza which are situated adjacent to the MTR (Yau Tong) Station and are about 0.5 kilometres at the north of the Seed Project.	The Seed Project is currently vacant.	1,820,000,000 See note 8 below

Property	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 March 2024 *HK$*
	Yau Tong Inland Lot Nos. 30 is held under Conditions of Grant No. 10928 for a term of 99 years commencing on 1 July 1898. Yau Tong Inland Lot Nos. 31 is held under Conditions of Grant No. 10929 for a term of 99 years commencing on 1 July 1898. The lease terms of all the above Government leases have been statutorily extended to 30 June 2046. The prevailing total annual Government rent of the Seed Project is HK$304,038.		

Notes:

1. The registered owner of the Seed Project is New Grant Limited or the Project Company registered via various assignments set out as follows:

   - memorial no. 22020701280027 dated 13 January 2022;
   - memorial no. 22020802020015 dated 13 January 2022;
   - memorial no. 22020802020021 dated 13 January 2022;
   - memorial no. 22020802020030 dated 13 January 2022;
   - memorial no. 22020802020045 dated 13 January 2022;
   - memorial no. 22020802020072 dated 13 January 2022;
   - memorial no. 22020802020093 dated 13 January 2022;
   - memorial no. 22020802020103 dated 13 January 2022;
   - memorial no. 22020802020117 dated 13 January 2022;
   - memorial no. 22020802020138 dated 13 January 2022;
   - memorial no. 22020802020141 dated 13 January 2022;
   - memorial no. 22020802020157 dated 13 January 2022;
   - memorial no. 22020802020161 dated 13 January 2022;
   - memorial no. 22031701160032 dated 28 February 2022;
   - memorial no. 22063001350047 dated 31 May 2022;
   - memorial no. 22111101200048 dated 24 October 2022;
   - memorial no. 22122001030059 dated 30 November 2022;
   - memorial no. 22122301170019 dated 2 December 2022;
   - memorial no. 22122301170026 dated 2 December 2022;
   - memorial no. 23062001230046 dated 29 May 2023;
   - memorial no. 23062001230065 dated 29 May 2023; and
   - memorial no. 23062301360029 dated 31 May 2023.

2. The Seed Project other than Unit B, D, F, H, Car Parking Space Nos. C1, C2, C4 and C5 on Lower Ground Floor, Unit N on Middle Ground Floor and Car Parking Space Nos. No. C10 on Upper Ground Floor thereof is subject to a mortgage in favour of Dah Sing Bank, Limited registered via memorial no. 22020802020174 dated 13 January 2022.

3. Unit B, D, F, H, Car Parking Space Nos. C1, C2, C4 and C5 on Lower Ground Floor, Unit N on Middle Ground Floor and Car Parking Space Nos. No. C10 on Upper Ground Floor of the Seed Project are subject to a mortgage in favour of Chiyu Banking Corporation Limited registered via memorial no. 231100500610038 dated 29 September 2023 and an assignment of sale proceeds and rental proceeds in favour of Chiyu Banking Corporation Limited registered via memorial no. 231100500610042 dated 29 September 2023.

4. The Seed Project is falling within an area zoned "Residential (Group E)" on the Approved Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/27 subject to a maximum domestic plot ratio of 5.0 and a maximum non-domestic plot ratio of 1.0.

5. Subject to the prevailing plot ratio restriction imposed on the Seed Project as mentioned in note 4 above, a planning application (Application No. A/K15/129) under Section 16 of the Town Planning Ordinance for relaxing plot ratio restriction of the Seed Project has been lodged for seeking permission from the Town Planning Board. Broad development parameters underlying the aforesaid planning application are set out as follows:

   - relaxing domestic GFA and plot ratio of the Seed Project to 23,233.2 square metres and not more than 6 respectively; and

   - relaxing non-domestic GFA and plot ratio of the Seed Project to 5,037.7 square metres and not more than 1.301 respectively.

   As revealed from a letter issued by the Town Planning Board on 16 February 2024, the application for permission under Section 16 of the Town Planning Ordinance was approved by the Town Planning Board. The permission is valid until 26 January 2028 and is subject to the following conditions:

   - the submission of a revised environmental assessment to address the potential air quality and noise impacts and industrial/residential interface environmental problems, and the implementation of the environmental mitigation measures identified therein for the proposed development to the satisfaction of the Director of Environmental Protection or of the Town Planning Board;

   - the submission of a revised land contamination assessment and the implementation of the remediation measures identified therein prior to the commencement of the construction works for the proposed development to the satisfaction of the Director of Environmental Protection or of the Town Planning Board;

   - the submission of a revised traffic impact assessment and the implementation of traffic mitigation measures identified therein for the proposed development to the satisfaction of the Commissioner for Transport or of the Town Planning Board;

   - the design and provision of vehicular access, vehicle parking spaces, loading/unloading facilities and maneuvering spaces for the proposed development to the Commissioner for Transport or of the Town Planning Board; and

   - the provision of a day centre for the elderly as proposed by the applicant to the satisfaction of the Director or Social Welfare or the Town Planning Board.

6. As provided in the Government leases namely Conditions of Grant No. 10928 of Yau Tong Inland Lot No. 30 and Conditions of Grant No. 10929 of Yau Tong Inland Lot No. 31 of the Seed Project, the land lots are subject to the following salient land grant conditions:

   - no building or buildings shall be erected on the subject land lots except a factory or factories or a warehouse or warehouses or both, ancillary offices and such quarters as may be required for watchmen or caretakers are essential to the safety and security of the buildings;

   - the subject land lots or any buildings thereon or any part of them shall not be used for any purpose other than for industrial or godown purposes or both excluding any trade declared to be an offensive trade under the Public Health and Urban Services Ordinance or any enactment amending the same or substituted therefor;

   - no part of any structure erected or to be erected on the subject land lots shall exceed a height of 100 feet above the principal datum of Hong Kong; and

   - space shall be provided within the subject land lots for parking. Loading and unloading of vehicles (including containers on trailers with their prime movers) at the rate of not less than on vehicle for each 10,000 square feet or part thereof of gross floor area, excluding any floor area to be used for this purpose of any building erected on the land lots or at the rate of not less than one vehicle for each 5,000 square feet or part thereof of the site area, whichever rate provides the greater amount of such space. Of the space provided for parking, loading and unloading, one half shall be used for the parking of private cars and light vans and the remaining space for parking, loading and unloading of lorries (at least one of them is container on a trailer with its prime mover).

7. Subject to the prevailing land grant conditions as mentioned in note 6 above, relevant applications to the Lands Department are required for modification of land grant conditions or issuing of new Government land lease with terms and conditions aligning with the proposed redevelopment for residential and commercial uses. Under the prevailing administrative policies, land premium as well as administrative fees may be charged by the Lands Department in undertaking such applications.

8. Our valuation of the Seed Project has been arrived at on the following basis:

   - the existing industrial building of the Seed Project can be re-developed into a residential/commercial development with a total GFA of 30,074.69 square metres as per the board development parameters as mentioned in note 5 above;

   - the owner has completed all applications and obtained a valid land grant with a tenor of 50 years from the Government for undertaking the aforesaid redevelopment; and

   - all necessary land premium payment in associate with the application of the valid land grant has been settled in full.

9. In our valuation of the Seed Project adopting market approach, we have identified and made reference to relevant comparable land transactions based on the following selection criteria:

   - Transaction time – within the past 12 months

   - Property location – within urban area conveniently accessible by mass transit railways

   - Land use – land parcel zoned for residential use by the Town Planning Department

   - Size – not less than 150 square metres such that standalone development into medium to high rise residential building is pragmatic

10. Given the above selection criteria, the following comparable land transactions meeting those criteria have been considered in our valuation. Their accommodation values (AV), being the price per square metre (m^2) of developable GFA, have been adopted as quantitative benchmark for analysis purpose:

Comparable	1	2	3	4	5	6
Date of Transaction	21 Nov 23	8 Nov 23	26 Oct 23	13 Sep 23	28 Apr 23	13 Sep 23
Location	18 Sau Wa Fong	21-23 Apleichau Main Street	21-24 Chiu Kwong Street	177-191 Tai Kok Tsui Road	45-63 Ting Fu Street	Muk Lai Street (New Kowloon Inland Lot 6590)
Distance from nearest railway station	400 metres from Wanchai Station	300 metres from Lei Tung Station	300 metres from Sai Ying Pun Station	750 metres from Olympic Station	500 metres from Ngau Tau Kok Station	750 metres from Kai Tak Station
Town Planning Zone	Residential (C)	Residential (A)2	Residential (A) 6	Residential (A) 1	Residential (A)	Residential (A) 6
Transaction Price (HK$ Mil)	136.10	137.122	254.00	697.00	452.50	5,350.00
Site Area (m^2)	312	170	277	836	706	13,499
Plot Ratio	5.00	8.89	9.68	9.00	9.00	6.83
Developable GFA (m^2)	1,560	1,511	2,681	7,524	6,354	92,198
AV (HK$/$m^2$ of GFA)	87,244	90,731	94,728	92,637	71,215	58,027
Source	Land Registry	Land Registry	Land Registry	Land Registry	Land Registry	Land Registry
Adjustment (%)	-30%	-25%	-30%	-25%	-15%	-10%
Adjusted AV ((HK$/$m^2$ of GFA)	61,071	68,048	66,310	69,478	60,533	52,224

All the above comparable transactions are meeting the aforesaid selection criteria in term of transaction time, location, land use and size. We believe that none of the transactions that meeting the selection criteria is excluded and the list of comparable transactions is full and exhaustive and analysis of them provides a general reference as to the market valuation of the Seed Project.

Adjustments to comparable land transactions are constituted by locational factor and time factor. Regarding location factor, it is submitted that land parcels situated closer to central business districts are priced higher than those situated further away. On the locational factor front, Comparable Nos. 1, 2, 3 and 4 are considered to be superior to the Seed Project such that downward adjustments on them are warranted whilst Comparable Nos. 5 and 6 are considered to be at par with the Seed Project such that no downward adjustment is necessary. Regarding time factor, it is observed that the residential sector of Hong Kong was experiencing market downturn over the past 12-month period as reflected by downward trend as exhibited by the price indices on private domestic property market released by the Rating and Valuation Department. Since all land comparable transactions were struck within 12-month period ahead of the Valuation Date, downward adjustments on all the comparables are warranted.

11. Based on the above analysis, the market value of the Seed Project is figured out as follows:

Adopted AV (A)	:	HK$62,940 *(Note a)*
Developable GFA (B)	:	28,909m^2 *(Note b)*
Market Value (A × B)	:	HK$1,819,532,460
Round to	:	HK$1,820,000,000

Notes:

(a) The adopted AV represents the sample mean of the adjusted comparable AVs.

(b) Developable GFA is the total GFA of 30,075m^2 of the redevelopment of the Seed Project net of the GFA of 1,166m^2 attributable to the elderly care centre to be provided within the redevelopment of the Seed Project.

BUSINESS DEVELOPMENT

Portfolio of Property Development Projects Upon Completion

Upon Completion, it is expected that the Remaining Group will at least be interested in the following development land projects:

Location	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
Nos. 50-62 Larch Street and 6-8 Lime Street, Tai Kok Tsui	6,800	61,500	Residential and commercial	2024	100%
Nos. 3-9 Finnie Street, Quarry Bay	4,200	39,100	Residential and commercial	2026	100%
Nos. 17-23 Ap Lei Chau Main Street, 7-9 Ping Lan Street and 37-39 Shan Shi Street, Ap Lei Chau	6,600	68,800	Residential and commercial	2027	100%
Nos. 86A-86D Pokfulam Road	28,500	28,500	Residential	2024	70%
Nos. 120-130 Main Street, Ap Lei Chau	7,200	74,200	Residential and commercial	2025	50%
Nos. 34 and 36 Main Street, and Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau	4,100	38,500	Residential and commercial	2025	50%
Nos. 26-48 Ming Fung Street, Wong Tai Sin	9,600	81,300	Residential and commercial	2025	50%

Location	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin	10,400	93,700	Residential and commercial	2025	50%
Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok	5,200	46,300	Residential and commercial	2025	50%
Nos. 101 and 111, King's Road, Fortress Hill	12,400	131,600	Residential and commercial	2026	50%
Nos. 18-20 Sze Shan Street, Yau Tong (i.e. the Project)	41,700	269,000	Residential and commercial	2028	50%

Based on the above, the Remaining Group will have at least 50% control over 11 development land projects and will maintain full control over three of the 11 development land projects upon Completion. As at 30 September 2023, the carrying amount of the Remaining Group's properties under development was approximately HK$4,945.9 million.

Business Model of the Asset Management Segment

Since 2019, the Remaining Group has formed joint ventures with different strategic partners in both residential developments and commercial investments to jointly develop suitable properties. By forming joint ventures with these strategic partners and leveraging the resources and networks in Hong Kong market, the Remaining Group acts as the asset manager to manage the property development, sales and other operations of these joint ventures and also manages the assets on behalf of the capital partners. As the asset manager of the invested assets, the Remaining Group earns fee incomes, including asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Remaining Group's joint venture partners have received their targeted capital returns. This business model allows the Remaining Group to leverage the expertise and resources of its joint venture strategic partners in property development, while fully utilizing its own knowledge and expertise in property investment and asset management to generate sustainable management fee income as well as sharing the operating profits of the properties.

Set out below is the management discussion and analysis of the Remaining Group's business and performance for the six months ended 30 September 2023 and each of the financial years ended 31 March 2023, 2022 and 2021, respectively. Following the Disposal, the Remaining Group will continue to carry out its existing business. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the unaudited consolidated financial statements of the Group for the six months ended 30 September 2023 and the audited consolidated financial statements of the Group for each of the financial years ended 31 March 2023, 2022 and 2021, respectively.

1. FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Financial Results

The Remaining Group's revenue and profit attributable to owners of WOG for the six months ended 30 September 2023 amounted to approximately HK$286.7 million (six months ended 30 September 2022: approximately HK$1,260.8 million) and approximately HK$267.7 million (six months ended 30 September 2022: approximately HK$67.6 million), respectively. The profit for the six months ended 30 September 2023 was mainly attributable to the share of results of joint ventures and delivery of property projects.

Business Review

Property Development

Revenue recognized in this business segment during the reporting period amounted to approximately HK$258.4 million which was mainly attributable to the delivery of "The Met. Azure" project and "LADDER Dundas" (six months ended 30 September 2022: approximately HK$1.3 billion).

"The Met. Azure" project located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192) and was launched in August 2021. As at 30 September 2023, 319 units have been sold. The total sales proceeds amounted to approximately HK$1.6 billion.

In July 2022, the Remaining Group has launched the sales of "LADDER Dundas", the own-developed Ginza-style commercial property. Situated at 575 Nathan Road within Kowloon's Yau Tsim Mong district, LADDER Dundas is a 19-storey building in the heart of visitor flow and consuming power. As at 30 September 2023, all units and signage were sold. The total sales proceeds amounted to approximately HK$616.9 million.

The Remaining Group has launched the pre-sales of "Larchwood" in August 2022. the "Larchwood" project is located in the core area of Kowloon and is supported by well-developed community facilities. This project is the Remaining Group's first urban redevelopment commercial and residential project in a long time. The project leverages on the competitive advantages of our previous projects and also incorporates more humanized designs to achieve harmony with the old and new cultures in the community. As at 30 September 2023, 105 out of 187 units have been sold. The total sales proceeds amounted to approximately HK$572.1 million.

The Remaining Group has acquired the site located at Nos. 86A-86D Pokfulam Road, Hong Kong in 2018. The project is named as "Mount Pokfulam" and offers seven houses, each with a unique street number of its own. Each house has its own private garden, private carport, an elevator ensuring connectivity from the lower ground floor to the roof and a private swimming pool. The project has obtained the pre-sales consent as at the date of this report. The Remaining Group owns 70% equity interest in this property development project.

In May 2023, the Remaining Group has completed the acquisition of the site located at Nos. 18-20 Sze Shan Street, Yau Tong and the total costs amounted to approximately HK$940.6 million. The total site area is approximately 41,700 square feet and it is planned to be redeveloped into a residential project with commercial space.

In June 2023, the Remaining Group has successfully acquired a site located at Nos. 3-9 Finnie Street, Quarry Bay, Hong Kong for HK$412 million. The total site area is approximately 4,200 square feet and it is planned to be redeveloped into a residential project with commercial space.

In November 2023, the Remaining Group has completed the consolidation of the ownership of an urban redevelopment project through compulsory sales. The project is located at Nos. 17-23 Ap Lei Chau Main Street, 7-9 Ping Lan Street and 37-39 Shan Shi Street. The site area is approximately 6,600 square feet and it is planned to be redeveloped into a residential project with commercial spaces.

The Remaining Group's Whitehead project (No. 11 Yiu Sha Road, Ma On Shan), "Altissimo", is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers in the fourth quarter of 2020. As at 30 September 2023, 543 of the 547 units released have been sold and the aggregate sales proceeds amounted to approximately HK$7.1 billion. The Remaining Group owns 40% equity interest in this development project.

In November 2021, the Remaining Group has formed a new joint venture company (the "**APG JV**") with the depositary of APG Strategic Real Estate Pool ("**APG**"). The Group owns 50% equity interest in APG JV. As at 30 September 2023, there are 6 projects held in APG JV in total, namely Nos. 120-130, Main Street, Ap Lei Chau, Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, Nos. 26-48 Ming Fung Street, Wong Tai Sin, Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin, Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok and Nos. 101 and 111 King's Road, Fortress Hill. As at 30 September 2023, the project located at Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau is undergoing superstructure works and the other projects are in the stage of foundation works.

As at 30 September 2023, the Remaining Group's development land portfolio was as follows:

Location	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
86A-86D Pokfulam Road	28,500	28,500	Residential	2023	70%
Nos. 50-62 Larch Street and 6-8 Lime Street, Tai Kok Tsui	6,800	61,500	Residential and Commercial	2024	100%
Nos. 120-130 Main Street, Ap Lei Chau	7,200	74,200	Residential and Commercial	2025	50%
Nos. 34 and 36 Main Street, and Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau	4,100	38,500	Residential and Commercial	2025	50%
Nos. 26-48 Ming Fung Street, Wong Tai Sin	9,600	81,300	Residential and Commercial	2025	50%
Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin	10,400	93,700	Residential and Commercial	2025	50%
Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok	5,200	46,300	Residential and Commercial	2025	50%
Nos. 101 and 111, King's Road, Fortress Hill	12,400	131,600	Residential and Commercial	2026	50%

Location	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
Nos. 3-9 Finnie Street, Quarry Bay	4,200	39,100	Residential and Commercial	2026	100%
Nos. 17-23 Ap Lei Chau Main Street, 7-9 Ping Lan Street and 37-39 Shan Shi Street, Ap Lei Chau	6,600	68,800	Residential and Commercial	2027	100%
Nos. 18-20 Sze Shan Street, Yau Tong	41,700	269,000	Residential and Commercial	2028	100%

The Remaining Group is always exploring different channels to increase its land banks. Apart from its participation in public tenders, the Remaining Group has also actively worked on acquisitions of ownerships in old buildings with a view to providing stable land resource for future development.

Property Investment

As at 30 September 2023, the Remaining Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK$150.8 million (31 March 2023: approximately HK$147.0 million).

The Remaining Group's gross rental income during the period, inclusive of contributions from joint ventures, amounted to approximately HK$87.0 million (six months ended 30 September 2022: approximately HK$45.8 million), representing an increase of approximately 90%. The increase in gross rental income was primarily attributable to the new acquisition of leasing properties.

In September 2021, the Remaining Group partnered with an independent third party, Jumbo Holding (BVI) L.P. ("**Jumbo Holding**") to form a joint venture (the "**Jumbo JV**"), in which the Remaining Group owns 50% equity interest upon completion of share subscription by Jumbo Holding, to acquire eight storeys of carpark podium of Jumbo Court, No. 3 Welfare Road, Aberdeen, Hong Kong ("**Jumbo Property**") for a consideration of HK$410.3 million. The Jumbo Property provides a total of 509 car parking spaces and it is located next to various major residential buildings and private club and is about a few minutes of walking distance from the Wong Chuk Hang MTR Station. Given its proximity to major residential developments and the MTR comprehensive development above the Wong Chuk Hang MTR Station which is scheduled to provide approximately 3.9 million square feet of residential gross floor area in 5,200 units and 510,000 square feet of retail space, it is expected that the Jumbo Property could meet the huge demand for parking spaces once the comprehensive development is completed in phases. The Jumbo Property is fully let as at the date of this report.

The Remaining Group has also partnered with Kohlberg Kravis Roberts & Co. L.P. ("**KKR**") to own two commercial accommodations, known as "Lake Silver" located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong and "The Parkside" located at No. 18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong. The Remaining Group has 50% equity interest in each project. The Remaining Group has refurbished the property, improved the tenant mix and enhanced the rental yield. As at 30 September 2023, Lake Silver is fully let and The Parkside has an occupancy rate of over 97%.

Apart from the international investment organizations, the Remaining Group has formed a joint venture (the "**Parkville JV**") with three independent third parties in which the Group owns 64% of its equity interest. The ultimate beneficial owners of these three partners are experienced investors, namely Mr. Chiu Lon Ronald, Mr. Bryan Taft Southergill and Mr. Choi, Raymond Yat-Hong. The Parkville JV owns the entire interests in the ground floor and first floor of THE PARKVILLE, No. 88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories (the "**Parkville Property**"). The Parkville Property has a total gross floor area of 13,858 square feet and is situated at Tuen Mun Heung Sze Hui Road intersecting Luk Yuen Road. As at 30 September 2023, the Parkville Property is fully let. As at 30 September 2023, 3 out of 15 shops amounted to approximately HK$65.0 million were sold.

In September 2023, two wholly-owned subsidiaries of the Company entered into sale and purchase agreements with a wholly-owned subsidiary of Wai Yuen Tong Medicine Holdings Limited ("**WYT**") to sell the entire issued share capital and shareholder's loans of two property holding companies for an aggregate initial consideration of HK$78.8 million. Completion of the disposals took place on 25 October 2023 and 15 November 2023, respectively. Please refer to the joint announcement of the Company and WYT dated 8 September 2023 and the circular of the Company dated 29 September 2023 for further details.

Asset Management

The Remaining Group has entered into joint ventures with different strategic partners in both residential developments and commercial investments. By leveraging on its resources and networks in Hong Kong market, the Remaining Group also manages the assets on behalf of the capital partners of some of these joint ventures.

As the asset manager of the invested assets, the Remaining Group earns fee incomes, including, asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Remaining Group's joint venture partners having received their targeted capital returns.

In December 2022, the Remaining Group has formed a new joint venture with Angelo, Gordon & Co., L.P. ("**AG**") for the acquisition and operation of the property located at No. 19 Luk Hop Street, Kowloon, Hong Kong, including the hotel building currently erected thereon formerly known as "Pentahotel Hong Kong, Kowloon". The property will be rebranded as "Sunny House" and is expected to offer 720 rooms to market. As at 30 September 2023, the property is undergoing renovation and is planned to reopen in the first quarter of 2024.

Other than managing two commercial accommodation investments, namely "Lake Silver" and "The Parkside", in which the Group co-invested with KKR in 2019, the Remaining Group has been engaged as the asset manager in the Parkville JV and the Jumbo JV. The details of the managed assets can be referred to in the above section "Property Investment" in this report.

The Group has also partnered with APG in December 2022 for acquisition of residential properties in Hong Kong for development and re-development for sales. As the asset manager, the Group involves in the site evaluation, acquisition, construction management and sales.

During the reporting period, the Remaining Group recorded fee incomes amounting to approximately HK$26.2 million (six months ended 30 September 2022: approximately HK$9.1 million). The increase was mainly due to the addition of new managed assets.

By utilizing the Remaining Group's expertise in asset management, it would seek to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

Liquidity and Financial Resources

As at 30 September 2023, the Remaining Group's total assets less current liabilities were approximately HK$7,467.0 million (31 March 2023: approximately HK$7,327.3 million) and the current ratio was approximately 1.3 times (31 March 2023: approximately 1.5 times). As at 30 September 2023, the Remaining Group had cash and bank balances of approximately HK$510.4 million (31 March 2023: approximately HK$869.2 million).

Aggregate bank borrowings as at 30 September 2023 amounted to approximately HK$4,127.5 million (31 March 2023: approximately HK$3,999.1 million). The gearing ratio was approximately 67% (31 March 2023: approximately 59.4%), calculated by reference to the Remaining Group's total bank borrowings net of cash and bank balances and the equity attributable to owners of WOG. As at 30 September 2023, the Remaining Group's property, plant and equipment, investment properties and properties under development, with carrying value of approximately HK$76.5 million, HK$150.8 million and HK$4,945.9 million, respectively (31 March 2023: approximately HK$78.1 million, HK$147.0 million, HK$4,187.6 million, respectively and properties held for sale of approximately HK$123.5 million) were pledged to secure the Remaining Group's general banking facilities.

The Remaining Group's capital commitment as at 30 September 2023 amounted to approximately HK$920.3 million (31 March 2023: approximately HK$1,121.8 million). In addition, as at 30 September 2023, the Remaining Group's share of joint ventures' own capital commitments amounted to approximately HK$186.5 million (31 March 2023: approximately HK$110.9 million). The Remaining Group has provided guarantee to banks in connection with facilities granted to a joint venture up to HK$700.8 million (31 March 2023: HK$450.8 million) and were utilized to the extent of HK$426.5 million as at 30 September 2023 (31 March 2023: HK$250.3 million). Save as disclosed herein, the Remaining Group had no significant contingent liabilities as at the end of the reporting period.

The Remaining Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Remaining Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. Management of the Remaining Group is of the opinion that the Group's existing financial structure and resources are healthy and sufficient for the Remaining Group's needs in the foreseeable future.

Debt Profile and Financial Planning

As at 30 September 2023, interest-bearing debt profile of the Remaining Group was analysed as follows:

	30 September 2023	**31 March 2023**
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**2,066,489**	1,961,685
In the second year	**1,369,729**	2,037,447
In the third to fifth years, inclusive	**691,261**	—
	4,127,479	3,999,132
Other loans repayable		
Within one year	**527,485**	206,230
	4,654,964	4,205,362

The effective interest rate of bank loans is approximately 7.2% per annum (31 March 2023: approximately 4.9%) and other loans carry a fixed interest ranged from 6.0% to 7.7% (31 March 2023: 6.0%) per annum.

Treasury Policy

The Remaining Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the six months ended 30 September 2023 are the general source of funds to finance the operation of the Remaining Group. The Remaining Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The Remaining Group has entered into interest rate swap contracts for the purpose of converting part of the Remaining Group's borrowings from floating rates into fixed interest rate in order to mitigate the interest rate risk.

Foreign Exchange

Management of the Remaining Group is of the opinion that the Remaining Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Remaining Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Remaining Group's operating expenses. The Remaining Group therefore has not engaged in any hedging activities during the period under review.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Future Plans for Material Investments or Capital Assets

Save as disclosed above, during the period under review, the Remaining Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures and future plans for material investments or capital assets.

Employees and Remuneration Policies

As at 30 September 2023, the Remaining Group had 149 (31 March 2023: 128) employees in Hong Kong. The Remaining Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, the Remaining Group provides discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Remaining Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Remaining Group. Share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Remaining Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the

Remaining Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

Prospects

With the relaxation of pandemic restrictions and re-opening of borders last year, property prices and transaction volumes were both rebounded early this year. Nevertheless, the sentiment was still dampened by the interest rate hikes and geographic tensions, the monthly transactions dropped from the second half-year.

In the latest Policy Address, the Chief Executive proposed the easing of the spicy" property policies, including cutting buyers' stamp duties on new homes and New Residential Stamp Duty by half. The special stamp duty, which was originally not required to be levied if resold after three years, has now been shortened to two years. Also, a stamp duty suspension mechanism for eligible incoming talents purchasing residential properties in Hong Kong has been implemented. In addition, revised or new policies are proposed to attract and retain talents in Hong Kong. All these measures should have positive impacts on the property market.

The Government also launched "Hello Hong Kong" campaign and "Colorful Nightlife" events to stimulate local and tourists' consumptions. At the same time, the Remaining Group set up different marketing campaigns in the commercial investments to increase the footfall and spending.

Both the international and domestic economy have yet to be consolidated and recovered under the existing uncertainties. The Remaining Group will be cautious and prudent towards business development and financial positions.

Sustainability

The Remaining Group is deeply committed to incorporating sustainability into every aspect of its operations. The Company actively participates in a range of corporate social responsibility activities, including collaborations with local universities, to foster the growth of future leaders and contribute to the progress of sustainable development.

As at 30 September 2023, the Remaining Group has converted approximately HK$7.2 billion bank facilities into a sustainability-linked loan (i.e. SLL). This SLL is directly tethered to the Remaining Group's 5-Year Environmental, Social and Governance (i.e. ESG) roadmap, which includes its commitment to achieve outstanding results in Global Real Estate Sustainability Benchmark (i.e. GRESB) assessment. The Remaining Group has received a 4-Star rating for the Development Benchmark under the 2023 GRESB and ranked 3rd in its peer comparison.

Additionally, the Remaining Group has been honored with several awards this year, including Institute of ESG & Benchmark: ESG Achievement Awards 2022/2023 – Outstanding ESG Awards (Listed Company) – Gold Award, InnoESG Prize: ESG Award 2022 – People-Centric ESG Goodwill, TVB ESG Award – ESG Special Recognition Award and Chinese YMCA of Hong Kong: Y-care CSR Scheme 2022/23 – Bronze Partner.

These awards have showcased the Remaining Group's unwavering commitment to building a sustainable future and its proactive stance towards environmental and social responsibility.

2. FOR THE YEAR ENDED 31 MARCH 2023

Financial Results

For the financial year ended 31 March 2023, the Remaining Group's revenue and profit attributable to owners of WOG amounted to approximately HK$1,991.8 million (2022: approximately HK$38.9 million) and approximately HK$211.1 million (2022: approximately HK$285.1 million), respectively. The profit for the year was mainly attributable to the completion of "The Met. Azure" project and share of profits recognised from joint ventures.

The selling and distribution expenses was amounted to approximately HK$179.5 million (2022: approximately HK$25.6 million) for the reporting year. The material increment was mainly due to the recognition of sales commission of the Met. Azure. This project was delivered during the year.

The share of profits of joint ventures for the year amounted to approximately HK$316.8 million (2022: approximately HK$430.6 million), The difference was mainly due to the decrease in sales recognition of two jointly venture projects, namely "maya" and "Altissimo" in the reporting year.

Business Review

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$1,971.1 million (2022: nil) which was mainly attributable to the delivery of "The Met. Azure" project.

The Met. Azure project is located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192). As the latest project of "The Met." series, it was launched in August 2021. All residential units were sold out as at the date of this report and the total sales proceeds amounted to approximately HK$1.6 billion.

The Remaining Group has launched the pre-sales of “Larchwood” in August 2022. the “Larchwood” project is located in the core area of Kowloon and is supported by well-developed community facilities. As at 31 March 2023, 96 out of 98 units released have been sold. The total sales proceeds amounted to approximately HK$516.4 million. The units are expected to be delivered in 2024.

In February 2022, the Remaining Group has also completed the acquisition of the site located at Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon, Hong Kong, with a total gross floor area of approximately 46,300 square feet. This project will be re-developed as part of “The Met.” series. The foundation work is undergoing.

In February 2022, the Remaining Group has acquired full ownership of the site located at Nos. 31–41, Fei Fung Street, Wong Tai Sin, Kowloon through compulsory sales. It will be re-developed with the adjacent site, No. 45 Fei Fung Street and 110 Shatin Pass Road, as one of “The Met.” series. The total site area and gross floor area are approximately 10,400 square feet and 93,700 square feet, respectively. The foundation work is undergoing.

In May 2023, the Remaining Group has completed the acquisition of the site located at Nos. 18–20 Sze Shan Street, Yau Tong and the total costs amounted to approximately HK$940.6 million. The total site area is approximately 41,700 square feet and it is planned to be redeveloped into a residential project with commercial space. In June 2023, the Remaining Group has successfully acquired a site located at Nos. 3–9 Finnie Street, Quarry Bay, Hong Kong for HK$412 million. The total site area is approximately 4,200 square feet and it is planned to be re-developed into a residential project with commercial space.

“maya”, which is located on No. 8 Shung Shan Street and No. 15 Sze Shan Street in Yau Tong, New Territories was developed by the Remaining Group together with CIFI Holdings (Group) Co. Ltd (“**CIFI**”). As at 31 March 2023, all of the 326 units have been sold, the aggregate sales proceeds amounted to approximately HK$4.3 billion. The Remaining Group owns 50% equity interest in this development project and is responsible for project management.

The Remaining Group’s Whitehead project (No. 11 Yiu Sha Road, Ma On Shan), “Altissimo”, is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers in the fourth quarter of 2020. As at 31 March 2023, 542 of the 547 units released have been sold and the aggregate sales proceeds amounted to approximately HK$7.0 billion. The Remaining Group owns 40% equity interest in this development project.

In September 2022, Sky Admiral Limited, a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with Sky Plaza Limited, a wholly-owned subsidiary of the APG JV to sell the entire issued share capital and shareholder’s loan of Star Moral Limited at an initial consideration of approximately HK$554.8 million. Please refer to the announcement of the Company dated 1 September 2022 and the circular of the Company dated 23 September 2022 for details. This transaction was completed on 14 October 2022. This site is adjacent to another project (located at Nos. 120–126 Main Street, Ap Lei Chau, Hong Kong) which in turn was disposed of by the

Remaining Group to the APG JV in December 2021. The APG JV will re-develop these two sites together as residential and commercial/mixed use property for sale. As at 31 March 2023, the foundation work is undergoing at the site.

As at 31 March 2023, six of our previously wholly-owned projects, namely Nos. 120–126, Main Street, Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, Nos. 26–48 Ming Fung Street, Nos. 31–41 and 45 Fei Fung Street, Wong Tai Sin, Nos. 12–16, 18–20, 22 and 24 Ting Yip Street, Ngau Tau Kok, and Nos. 128–130, Main Street, Ap Lei Chau, were sold to the APG JV.

In late September 2022, the APG JV has acquired the sites located at 101 and 111 King's Road, Fortress Hill, Hong Kong from the joint venture group of the Group and CIFI (the "**CIFI JV**") for approximately HK$1.3 billion. The CIFI JV was formed in October 2020 in which CIFI and the Group own 60% and 40% equity interest, respectively. The total site area is approximately 12,400 square feet. Situated between North Point commercial area and Victoria Park in Causeway Bay, the sites of King's Road are positioned at a convenient location within only a few minutes' walk to Fortress Hill MTR Station. The sites are planned to be redeveloped into a residential project with commercial space. As at 31 March 2023, foundation work is undergoing at the site.

In July 2022, the Remaining Group has launched the sales of "LADDER Dundas", the own-developed Ginza-style commercial property. Situated on 575 Nathan Road within Kowloon's Yau Tsim Mong district, LADDER Dundas is a 19-storey building in the heart of visitor flow and consuming power. As at 31 March 2023, all 19 floors were sold and the sales proceeds amounted to approximately HK$611.9 million.

As at 27 June 2023, the Remaining Group's development land portfolio is as follows:

Location	Approximate site area (square feet)	Approximate gross floor area (square feet)	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
86A–86D Pokfulam Road	28,500	28,500	Residential	2023	70%
Nos. 120-130 Main Street, Ap Lei Chau	7,200	74,200	Residential and Commercial	2025	50%
Nos. 34 and 36 Main Street, and Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau	4,100	38,500	Residential and Commercial	2025	50%
Nos. 50-62 Larch Street and 6-8 Lime Street, Tai Kok Tsui	6,800	61,500	Residential and Commercial	2024	100%
Nos. 26-48 Ming Fung Street, Wong Tai Sin	9,600	81,300	Residential and Commercial	2025	50%

Location	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin	10,400	93,700	Residential and Commercial	2025	50%
Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok	5,200	46,300	Residential and Commercial	2025	50%
Nos. 101 and 111, King's Road, Fortress Hill	12,400	131,600	Residential and Commercial	2026	50%
Nos. 3-9 Finnie Street, Quarry Bay	4,200	39,100	Residential and Commercial	2026	100%
Nos. 18-20 Sze Shan Street, Yau Tong	41,700	269,000	Residential and Commercial	2028	100%

The Remaining Group is currently working on an urban redevelopment project with over 90% ownerships secured. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). In the event that no court order is granted, the Remaining Group may not be able to complete to the consolidation of the ownership for redevelopment. Redevelopment can only be implemented upon acquisition of the full ownership of the relevant projects. The total attributable gross floor area upon redevelopment is approximately 65,000 square feet. All the development projects are financed by both external banking facilities and internal resources.

The Remaining Group is always exploring different channels to increase its land banks. Apart from its engagement in public tenders, the Remaining Group also actively worked on old building acquisitions, to provide stable land resource for future development.

Property Investment

As at 31 March 2023, the Remaining Group's portfolio of wholly-owned investment properties comprised of commercial units located in Hong Kong with a total carrying value of approximately HK$147.0 million (31 March 2022: approximately HK$135.1 million).

The Remaining Group's gross rental income during the financial year, inclusive of contributions from joint ventures, amounted to approximately HK$107.4 million (2022: approximately HK$91.6 million), representing an increase of approximately 17.3%. The increase in gross rental income was primarily attributable to the completion of rent-free period.

In June 2021, the Remaining Group and three independent third parties formed a new joint venture group (i.e. the Parkville JV), in which the Remaining Group owns 64% of its equity interest. The Parkville JV acquired 11 shop units and certain lift, lift lobby(ies) and staircase(s) on the ground floor and first floor of THE PARKVILLE, No. 88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories (i.e. the Parkville Property) for a consideration of HK$300 million. The Parkville Property has a total gross floor area of 13,858 square feet and is situated at Tuen Mun Heung Sze Hui Road intersecting Luk Yuen Road. It enjoys excellent traffic from one of the busiest roads with well-developed neighborhood. The only 3-minute walk from Tuen Mun MTR Station, Tuen Mun Light Rail Station, Tuen Mun commercial centre, transportation hub with cross border coach terminal and the affiliated large scale shopping mall via footbridge further brings vibrancy and creates a more dynamic prosperity. The Parkville Property is fully let as at the date of this report.

In September 2021, the Remaining Group partnered with an independent third party, Jumbo Holding to form a joint venture (i.e. the Jumbo JV), in which the Remaining Group owns 50% equity interest upon completion of share subscription by Jumbo Holding, to acquire eight stories of carpark podium of Jumbo Court, No. 3 Welfare Road, Aberdeen, Hong Kong (i.e. the Jumbo Property) for a consideration of HK$410.3 million. The Jumbo Property provides a total of 509 car parking spaces and is next to various major residential buildings and private club and is about a few minutes of walking distance from the Wong Chuk Hang MTR Station. Given its proximity to major residential developments and the MTR comprehensive development above the Wong Chuk Hang MTR Station which is scheduled to provide approximately 3.9 million square feet of residential gross floor area in 5,200 units and 510,000 square feet of retail space, it is expected that the Jumbo Property could meet the huge demand for parking spaces once the comprehensive development is completed in phases. As at 31 March 2023, the Jumbo Property is fully let.

The Group has also partnered with KKR to own two commercial accommodations, known as "Lake Silver" located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong and "The Parkside" located at No. 18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong. The Remaining Group has 50% equity interest in each project. The Group has refurbished the property, improved the tenant mix and enhanced the rental yield. As at 31 March 2023, Lake Silver is fully let and The Parkside has an occupancy rate of over 90%.

Asset Management

The Remaining Group has formed joint ventures with different strategic partners in both residential developments and commercial investments. By leveraging the resources and networks in Hong Kong market, the Remaining Group also manages the assets on behalf of the capital partners.

As the asset manager of the invested assets, the Remaining Group earns fee incomes, including asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Remaining Group's joint venture partners have received their targeted capital returns.

For the financial year, the Remaining Group recorded fee incomes amount to approximately HK$17.0 million (2022: approximately HK$30.8 million). The decrease was mainly due to the decrease in acquisition fee.

In December 2022, the Remaining Group has formed a new joint venture with AG, a well-known U.S. licensed investment manager, for the acquisition and operation of the property located at No. 19 Luk Hop Street, Kowloon, Hong Kong, including the hotel building currently erected thereon and known as "Pentahotel Hong Kong, Kowloon". The hotel building on the property has a total gross floor area of approximately 285,000 square feet. Situated between San Po Kong and Kai Tak in East Kowloon, the property is positioned at a convenient location where both Diamond Hill MTR station and Kai Tak MTR station are within walking distance.

Other than managing two commercial accommodation investments, namely Lake Silver and The Parkside, which were co-invested with KKR in 2019, the Remaining Group has been engaged as the asset manager in new joint ventures in 2021. Those joint ventures are the Parkville JV and the Jumbo JV.

As at 27 June 2023, the commercial properties under management are as follows:

Property	**Approximate site area** *(Square feet)*	**Acquired in**	**Interest attributable to the Remaining Group**
The Parkside	35,300	2019	50%
Lake Silver	31,400	2019	50%
Parkville	10,900	2021	64%
Jumbo Court	509 car-parking spaces	2021	50%
Pentahotel Hong Kong, Kowloon	285,000 (Approximate gross floor area)	2023	35%

The Remaining Group has also partnered with the depositary of APG since December 2021 for the acquisition of residential properties in Hong Kong for development and re-development for sales. As the asset manager, the Remaining Group involves in the site evaluation, acquisition, construction management and sales.

By utilizing the Remaining Group's expertise in asset management, it would seek to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

The Remaining Group has various interests in joint ventures which are principally engaged in property investment and property development. To assess the recoverability of these investments, the Remaining Group has engaged independent valuer to assess fair value of the underlying assets.

With reference to the fair value, the Directors considered that the Remaining Group's interests in these joint ventures were fairly stated and no impairment was necessary.

Liquidity and Financial Resources

As at 31 March 2023, the Remaining Group's total assets less current liabilities were approximately HK$7,327.3 million (2022: approximately HK$7,829.9 million) and the current ratio was approximately 1.5 times (2022: approximately 2.0 times). As at 31 March 2023, the Remaining Group had cash and bank balances of approximately HK$869.2 million (2022: approximately HK$831.5 million).

Aggregate bank borrowings as at 31 March 2023 amounted to approximately HK$3,999.1 million (2022: approximately HK$4,359.2 million). The gearing ratio was approximately 59.4% (2022: approximately 68.2%), calculated by reference to the Remaining Group's total bank borrowings net of cash and bank balances and the equity attributable to owners of WOG. As at 31 March 2023, the Remaining Group's property, plant and equipment, investment properties, properties under development and properties held for sales, with carrying value of approximately HK$78.1 million, HK$147.0 million, HK$4,187.6 million and HK$123.5 million, respectively (2022: approximately HK$81.4 million, HK$82.5 million, HK$4,829.7 million and HK$580.0 million, respectively) were pledged to secure the Remaining Group's general banking facilities.

The Remaining Group's capital commitment as at 31 March 2023 amounted to approximately HK$1,121.8 million (2022: approximately HK$2,072.9 million). In addition, the Remaining Group's share of joint ventures' own capital commitments amounted to approximately HK$110.9 million (2022: approximately HK$43.3 million). The Remaining Group has given guarantee to banks in connection with facilities granted to two joint ventures up to HK$450.8 million (2022: HK$450.8 million) and were utilized to the extent of HK$250.3 million as at 31 March 2023 (2022: HK$360.9 million). Save as disclosed herein, the Remaining Group had no significant contingent liabilities as at the end of the year.

The Remaining Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Remaining Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. Management of the Remaining Group is of the opinion that the Remaining Group's existing financial structure and resources are healthy and sufficient for the Remaining Group's needs in the foreseeable future.

Debt Profile and Financial Planning

As at 31 March 2023, interest-bearing debt profile of the Remaining Group was analysed as follows:

	31 March 2023	**31 March 2022**
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**1,961,685**	1,929,380
In the second year	**2,037,447**	1,278,176
In the third to fifth years, inclusive	**—**	1,151,668
	3,999,132	4,359,224
Other loans repayable:		
Within one year	**206,230**	—
In the second year	**—**	206,230
	4,205,362	4,565,454

The effective interest rate of bank loans was approximately 4.9% per annum (31 March 2022: approximately 2.1%) and other loans carried a fixed interest rate at 6.0% (31 March 2022: 6.0%) per annum.

During the financial year and up to the date of this report, the Remaining Group has converted approximately HK$4.6 billion bank facilities into a sustainability-linked loan (i.e. SLL). This SLL is directly tethered to the Remaining Group's 5-Year ESG roadmap, which includes its commitment to achieve outstanding results in Global Real Estate Sustainability Benchmark assessment. The Remaining Group is also committed to engaging its tenants in developing green leases.

Treasury Policy

The Remaining Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the year were the general source of funds to finance the operation of the Remaining Group. The Remaining Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The Remaining Group has entered into interest rate swap contracts for the purpose of converting part of the Remaining Group's borrowings from floating interest rates into fixed interest rate in order to mitigate the interest rate risk.

Foreign Exchange

Management of the Remaining Group is of the opinion that the Remaining Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Remaining Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Remaining Group's operating expenses. The Remaining Group therefore has not engaged in any hedging activities during the financial year.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Future Plans for Material Investments or Capital Assets

Save as disclosed above, during the financial year, the Remaining Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries and future plans for material investments or capital assets.

Employees and Remuneration Policies

As at 31 March 2023, the Remaining Group had 128 (2022: 136) employees in Hong Kong. The Remaining Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, we provide discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Remaining Group also provides a defined contribution to the Mandatory Provident Fund (i.e. MPF) as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

The Company operates the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Remaining Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Remaining Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date. No share option has been granted since the adoption of the Share Option Scheme.

Prospects

With the continued uncertainties from geographic tensions and interest rate hikes, 2022 was still a challenging year for business and worldwide economy. With the worldwide relaxation of pandemic restrictions and re-opening of borders in Mainland China, recovery to normality has been expedited in the second half of 2022.

In the first quarter of 2023, real GDP resumed year-on-year growth of 2.7%, having contracted by 4.1% in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP surged by 5.3%.

In Hong Kong, the Government has kept launching different measures and events e.g. consumption vouchers, "Happy Hong Kong" campaign, etc to bolster the consumer spendings and visitor arrivals. At the same time, the Remaining Group introduced new marketing campaigns in the commercial investments, to stimulate the footfall and spending.

The Remaining Group launched the pre-sales of "Larchwood" in August 2022. As at 31 March 2023, more than 90% of the released units were sold. The luxury properties project located at Nos. 86A-86D Pokfulam Road is expected to be launched in the second half of 2023. With the border re-opened and new policies and measures formulated by the 2023-24 Budget, e.g. the Capital Investment Entrant Scheme, the sales of the houses shall be enhanced.

During the year, the Remaining Group has partnered with AG to acquire Pentahotel Hong Kong, Kowloon. This signifies the Group's first major investment in the hospitality sector. It is a good opportunity for the Remaining Group to leverage its knowledge and expertise in property investment and asset management while generating sustainable management fee income and share of operating profit of the property.

The Remaining Group will continue to explore new investment opportunities whilst cautiously monitoring market changes. The Remaining Group will also seek for collaboration with strategic partners to strengthen the asset management as well as property development and property investment business. Concomitantly, more ESG factors will be incorporated into the business operations and products.

It is expected that 2023 is still a vigilant year. The Remaining Group will adopt a prudent approach towards business development and financial positions and aims for a stable return to the stakeholders.

Sustainable Development

The Remaining Group believes sustainability is the key to its success, insists on "care and love", and strives to create a great future for the public and the next generation.

Environment

The Remaining Group has been promoting sustainability by lowering our carbon footprint and the amount of waste disposal. We have worked with CLP Power Hong Kong Limited ("**CLP**") in developing our residential project, the Met. Azure, in Tsing Yi, by installing all-rounded comprehensive intelligent technology to improve energy efficiency, thereby reducing carbon emissions. The Remaining Group also engaged CLP to conduct energy audit for The Parkside. The Remaining Group will continue to explore new measures that help lowering carbon emissions and climate risks.

Social

The Remaining Group affirms it is important to give back to our community, and one of the main causes we support is youth development. Since 2018, the Remaining Group has been a strong supporter of Project WeCan Foundation, backing various initiatives to promote the learning, development, and well-being of students.

The Remaining Group also sponsored the Community Chest's "Walk for Million" to support the family and child-welfare services. During the year, volunteers of the Remaining Group visited low-income families, bringing support and positive energy to the underprivileged and putting the Remaining Group's philosophy into practice.

Governance

The Remaining Group is committed to maintaining a high standard of corporate governance practices. To ensure that all businesses operate with a high standard of ethics, transparency, accountability and integrity, the Remaining Group has established procedures for reporting, investigating and handling suspected corruption cases to avoid any corruption-related misconduct.

3. FOR THE YEAR ENDED 31 MARCH 2022

Financial Results

For the financial year ended 31 March 2022, the Remaining Group's revenue and profit attributable to owners of WOG amounted to approximately HK$38.9 million (2021: approximately HK$339.5 million as restated) and approximately HK$285.1 million (2021: approximately HK$466.7 million), respectively. The profit for the year was mainly attributable to the delivery of jointly developed property projects and share of profits recognised from joint ventures.

Business Review

Property Development

No revenue was recognised in this business segment during the year (2021: approximately HK$301.3 million) as only two joint venture projects had sales recognition during the year which was accounted for as share of results of the joint ventures but not revenue in the Group's consolidated financial statements. The share of sales recognition of these two joint venture projects amounted to approximately HK$858.7 million (2021: approximately HK$3,343.8 million).

The delivery of remaining stocks of these two joint venture projects, namely maya and Altissimo, in the financial year contributed approximately HK$243.7 million of net profit to the Remaining Group.

"maya", which is located on No. 8 Shung Shan Street and No. 15 Sze Shan Street in Yau Tong was developed by the Group together with CIFI. The Remaining Group owns 50% equity interest in this development project and is responsible for project management.

The Remaining Group's Whitehead project (No. 11 Yiu Sha Road, Ma On Shan), "Altissimo", is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers since the fourth quarter of 2020. As at 31 March 2022, 528 of the 547 units released have been sold and the aggregate sales proceeds amounted to approximately HK$6.2 billion. The Remaining Group owns 40% equity interest in this development project.

The Met. Azure project located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192), the latest project of "The Met." series, the pre-sales was launched in August 2021. Approximately 80% of the units are studio flats and the others are one-bedroom and specific-designed units. The project was well-received and sought after by single people, branch families and young home buyers. As at 31 March 2022, 280 out of 320 units released have been sold with contracted sales of approximately HK$1.4 billion. The units are expected to be delivered in the second half of 2022.

In February 2022, the Remaining Group has also completed the acquisition of the site located at Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon, Hong Kong, with a total gross floor area of approximately 46,000 square feet. This project will be re-developed as part of "The Met." series. The demolition work will be commenced in the third quarter of 2022.

In February 2022, the Remaining Group has acquired full ownership of the site located at Nos. 34-41, Fei Fung Street, Wong Tai Sin, Kowloon through compulsory sales. It will be re-developed with the adjacent site, No. 45 Fei Fung Street and 110 Shatin Pass Road, as one of "The Met." series. The total site area and gross floor area are approximately 10,400 square feet and 93,700 square feet, respectively. The demolition work is now underway.

In September 2021, the Remaining Group has successfully completed the acquisition of the site located at Nos. 26-48 Ming Fung Street, Wong Tai Sin through compulsory sales. The site area and gross floor area are approximately 9,600 square feet and 81,000 square feet, respectively. This project will be redeveloped as part of "The Met." series and the demolition work is now underway.

In June 2021, the Remaining Group has acquired full ownership of the site located at Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, Hong Kong. The site area and gross floor area is approximately 4,100 square feet and 38,500 square feet, respectively. This project will be re-developed as part of "The Met." series and the demolition work is now underway.

In January 2021, the Remaining Group has successfully completed the acquisition of the site located at 50-62 Larch Street and 6-8 Lime Street Tai Kok Tsui through compulsory sales. The gross floor area is approximately 61,500 square feet and the site is currently under foundation work. This project will be redeveloped as part of "The Met." series. The pre-sales are expected to be commenced in the third quarter of 2022.

In October 2020, the Remaining Group and CIFI formed a new joint venture group (i.e. the CIFI JV), in which CIFI and the Remaining Group own 60% and 40% equity interest, respectively. The CIFI JV has acquired 101 and 111 King's Road, Fortress Hill for a total sum of HK$1.88 billion. The total site area is approximately 12,400 square feet. Situated between North Point commercial area and Victoria Park in Causeway Bay, the sites of King's Road are positioned at a convenient location within only a few minutes' walk to Fortress Hill MTR Station. The sites are planned to be re-developed into a residential project with commercial space. This project is in demolition stage.

In July 2020, the Remaining Group successfully acquired a new redevelopment site in Ap Lei Chau (Nos. 120-126, Main Street, Ap Lei Chau). The site is adjacent to Lei Tung MTR Station with convenient and fast access to the South Island Line which travels to and from central business districts in Hong Kong and Kowloon. The total attributable gross floor area upon redevelopment is approximately 37,100 square feet. Foundation work is currently undergoing at the site.

In April 2018, Rich United Limited, an indirect non-wholly owned subsidiary of the Remaining Group, has completed the acquisition of all the 16 properties located at Nos. 86A-86D Pokfulam Road, Hong Kong. The site is located at a traditional luxury residential area with easy access to Central. It will be redeveloped into luxurious properties and is undergoing the foundation works. The Remaining Group owns 70% equity interest in this property development project.

In 8 November 2021, the Remaining Group has entered into a subscription and shareholders' agreement (i.e. the Transaction) with the depositary of APG. After the subscription of share from the Remaining Group, a new joint venture company (i.e. the APG JV) is formed to engage in acquisition of residential properties in Hong Kong for development and re-development for sales. The Remaining Group has subscribed for a 50% equity interest in the APG JV with a maximum total capital commitment of HK$2,334 million. The APG JV is accounted for as a 50% jointly-owned entity of the Group and it is accounted for under the equity method of accounting in the Remaining Group's consolidated financial statements. The Remaining Group considers the co-operation with APG presents a good opportunity to leverage on the Remaining Group's knowledge and expertise in property acquisition and project management and to partner with an experienced investor to expand the business. Please refer to the Company's announcement dated 8 November 2021 and circular dated 8 December 2021 for details. Four wholly-owned projects, namely (i) Nos. 120-126, Main Street, Ap Lei Chau, (ii) Nos. 34 and 36 Main Street, Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau, (iii) Nos. 26-48 Ming Fung Street, Wong Tai Sin, and (iv) Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin, were sold to the APG JV by March 2022. Further details of such disposals were set out in the Company's announcement and circular dated 8 November 2021 and 8 December 2021, respectively.

In February 2022, City Arise Limited ("**City Arise**"), a wholly-owned subsidiary of the Remaining Group, entered into a sales and purchase agreement with the APG JV to sell the entire issued share capital and shareholder's loan of True Promise Limited ("**True Promise**") at an initial consideration of approximately HK$490.7 million. True Promise is a wholly-owned subsidiary of the Remaining Group and the sole owner of the site located at Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon. On 11 April 2022, City Arise entered into a supplemental agreement with the APG JV and Delight Venture Limited ("**Delight Venture**"), a wholly-owned subsidiary of the APG JV to amend and supplement the sale and purchase agreement, pursuant to which the APG JV agreed to novate and Delight Venture agreed to assume all rights and obligations of the APG JV in and under the sale and purchase agreement. Please refer to the Company's announcement dated 18 February 2022 and circular dated 20 April 2022 for details. This transaction was completed on 11 May 2022.

As at 27 June 2022, the Remaining Group had a development land portfolio as follows:

Location	**Approximate site area** *(square feet)*	**Approximate gross floor area** *(square feet)*	**Intended usage**	**Anticipated year of completion**	**Interest attributable to the Remaining Group**
86A–86D Pokfulam Road	28,500	28,500	Residential	2023	70%
Junction of Liu To Road and Hang Mei Street (Tsing Yi Town Lot No. 192)	14,400	90,000	Residential and Commercial	2022	100%
Nos. 120-126 Main Street, Ap Lei Chau	3,600	37,100	Residential and Commercial	2024	50%

Location	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
Nos. 34 and 36 Main Street, and Nos. 5, 7 and 9 Wai Fung Street, Ap Lei Chau	4,100	38,500	Residential and Commercial	2025	50%
Nos. 50-62 Larch Street and 6-8 Lime Street, Tai Kok Tsui	6,800	61,500	Residential and Commercial	2024	100%
Nos. 26-48 Ming Fung Street, Wong Tai Sin	9,600	81,000	Residential and Commercial	2025	50%
Nos. 31-41 and 45 Fei Fung Street, Wong Tai Sin	10,400	93,700	Residential and Commercial	2025	50%
Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok	5,200	46,000	Residential and Commercial	2025	50%
Nos. 101 and 111, King's Road, Fortress Hill	12,400	129,400	Residential and Commercial	2026	40%

The Remaining Group is currently working on several urban redevelopment projects with over 80% ownerships secured. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). In the event that no court order is granted, the Remaining Group may not be able to complete the consolidation of the ownership for re-development. Redevelopment can only be implemented upon acquisition of the full ownership of the relevant projects. The total attributable gross floor area upon re-development is approximately 334,000 square feet. All the development projects are financed by both external banking facilities and internal resources.

The Remaining Group is always exploring different channels to increase its land banks. Apart from its engagement in public tenders, the Remaining Group also actively worked on old building acquisitions, to provide stable land resource for future development. The Remaining Group has been minded to pursue a light asset management model. The key features of this business model are as follows: (i) instead of holding a majority stake in the properties, and developing the same by its own, the Remaining Group will develop suitable properties jointly with a joint venture and will normally only hold 50% or a minority interest in the joint venture; (ii) operating profits generated will be recorded as share of profits of joint ventures instead of revenue and direct costs; (iii) the Remaining Group will continue to act as the asset manager to manage the development and sale of the properties and other operations of the joint venture and hence will recognise asset management fee income.

The Directors consider that the new business model would enable the Remaining Group (i) to generate new income stream of asset management fee income by utilising the Remaining Group's expertise in asset management, (ii) to develop the proper ties by leveraging on the expertise and resources of the joint venture partners, and (iii) to diversify funding resources and reduce funding pressure, and hence effectively reducing the Remaining Group's gearing ratio.

Property Investment

As at 31 March 2022, the Remaining Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of HK$135.1 million (31 March 2021: HK$571.2 million).

The Remaining Group's gross rental income under the property investment segment during the financial year, inclusive from the joint ventures, amounted to approximately HK$91.6 million (2021: approximately HK$80.4 million), representing an increase of approximately 13.9%. The increase in gross rental income was primarily attributable to the new acquisition of leasing properties and completion of rent-free period.

In June 2021, the Remaining Group and three independent third parties formed a new joint venture group (i.e. the Parkville JV), of which the Remaining Group owns 64% of equity interest. The other three partners are independent third parties to the Remaining Group and all their ultimate beneficial owners are experienced investors, namely Mr. Chiu Lon Ronald, Mr. Bryan Taft Southergill and Mr. Choi, Raymond Yat-Hong. The Parkville JV acquired 11 shop units and certain lift, lift lobby(ies) and staircase(s) on the ground floor and first floor of THE PARKVILLE, No. 88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories (i.e. the Parkville Property) for a consideration of HK$300.0 million. The Parkville Property has a total gross floor area of 13,858 square feet and is situated at Tuen Mun Heung Sze Hui Road intersecting Luk Yuen Road. It enjoys excellent traffic access from one of the busiest roads with a well-developed neighborhood. The only 3-minute walk from Tuen Mun MTR Station, Tuen Mun Light Rail Station, Tuen Mun commercial centre, transportation hub with cross border coach terminal and the affiliated large scale shopping mall via footbridge further brings vibrancy and creates a more dynamic prosperity around the Parkville Property. The Parkville JV will further refurbish the Parkville Property to optimise the tenant mix and rental income and is expected to broaden its prospect and thus, increase the future rental value, thereby enhancing the future capital appreciation.

In September 2021, the Group partnered with an independent third party, Jumbo Holding (BVI) L.P. (i.e. Jumbo Holding) to form a joint venture (i.e. the Jumbo JV), in which the Remaining Group owns 50% equity interest upon completion of share subscription by Jumbo Holding, to acquire eight stories of carpark podium of Jumbo Court, No. 3 Welfare Road, Aberdeen, Hong Kong (i.e. the Jumbo Property) for a consideration of HK$410.3 million. Jumbo Holding is a limited partnership established in the British Virgin Islands, with its general partner, AGR X Asia Member GP, L.L.C., being managed by AG, a well-known U.S. licensed investment manager. The Jumbo Property provides a total of 509 car parking spaces and is next to various major residential buildings and private club and is about a few minutes of walking distance from the Wong Chuk Hang MTR Station. Given its proximity to major residential developments and the MTR comprehensive development above the Wong Chuk Hang MTR Station which is scheduled to provide approximately 3.9 million square feet of residential gross floor area in 5,200 units and 510,000 square feet of retail space, it is expected that the Jumbo Property could meet the huge demand for parking spaces once the comprehensive development is completed in phases. The Jumbo JV will renovate the Jumbo Property to optimise the rental return and enhance the capital appreciation.

The Remaining Group has also partnered with KKR to own two commercial accommodations, known as “Lake Silver” located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong and “The Parkside” located at No. 18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong. The Remaining Group has 50% equity interest in each project. The Remaining Group has refurbished the property, improved the tenant mix and enhanced the rental yield. As at 31 March 2022, Lake Silver is fully let and The Parkside gets an occupancy rate over 85%.

On 30 July 2021, the Remaining Group has entered into a provisional agreement to sell the issued share and shareholder’s loan of the holding company of the office on 30th Floor, United Centre, No. 95 Queensway, Hong Kong, with a consideration of HK$515 million. This transaction was completed on 25 October 2021. The Remaining Group considered that this disposal will enable the reallocation of resources into future investment opportunities and pursue other growth opportunities. For detailed information, please refer to the Company’s announcement and circular dated 30 July 2021 and 23 September 2021, respectively.

Asset Management

The Remaining Group has commenced the provision of asset management services since 2019 and kept deploying additional resources to strengthen the business. The Board resolved to redesignate the provision of asset management services as one the principal businesses and reported as a new operating segment.

The Remaining Group has formed joint ventures with different strategic partners in both residential developments and commercial investments. By leveraging on its additional resources and networks in Hong Kong market, and the Remaining Group’s expertise in construction management and asset management, the Remaining Group also manages the assets on behalf of the capital partners of these joint ventures.

As the asset manager of the invested assets, the Remaining Group earns asset management fee income, including, asset management fees, acquisition fees, renovation management fee, construction management fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the Remaining Group’s joint venture partners having received their targeted capital returns. The asset management fee income provides a stable recurring income to the Remaining Group and contributed to approximately 79.2% of the Remaining Group's revenue for the reporting year.

Other than managing two commercial accommodation investments, namely Lake Silver and The Parkside, which were co-invested with KKR in 2019, the Remaining Group has been engaged as the asset manager of the new joint ventures during the year. Those joint ventures are the Parkville JV and the Jumbo JV.

The Remaining Group has also partnered with APG in December 2021 for acquisition of residential properties in Hong Kong for development and re-development for sales. As the asset manager, the Remaining Group involves in the site evaluation, acquisition, construction management and sales.

The Remaining Group has various interests in joint ventures which are principally engaged in property investment and property development. To assess the recoverability of these investments, the Remaining Group has engaged an independent valuer to assess fair value of the underlying assets.

With reference to the fair value, the directors determined that the Remaining Group's interests in these joint ventures were fairly stated and no impairment has to be considered.

During the year under review, the Remaining Group recorded asset management fee incomes amounted to approximately HK$30.8 million (2021: approximately HK$24.7 million) The increase was mainly attributable to the new addition of assets under management.

By utilising the Remaining Group's expertise in asset management, it would seek to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

Liquidity and Financial Resources

As at 31 March 2022, the Remaining Group's total assets less current liabilities were approximately HK$7,829.9 million (2021: approximately HK$7,994.6 million) and the current ratio was approximately 2.0 times (2021: approximately 2.4 times). As at 31 March 2022, the Remaining Group had cash and cash equivalents of approximately HK$831.5 million (2021: approximately HK826.5 million).

Aggregate bank borrowings as at 31 March 2022 amounted to approximately HK$4,359.2 million (2021: approximately HK$4,696.9 million). The gearing ratio was approximately 68.2% (2021: approximately 77.1%), calculated by reference to the Remaining Group's total bank borrowings net of cash and cash equivalents and the equity attributable to owners of WOG. As at 31 March 2022, the Remaining Group's property, plant and equipment, investment proper ties, proper ties under development and properties held for sales, with carrying value of approximately HK$81.4

million, HK$82.5 million, HK$4,829.7 million and HK$580.0 million (2021: approximately HK$84.6 million, HK$571.2 million, HK$4,892.5 million and HK$580.0 million) were pledged to secure the Remaining Group's general banking facilities.

The Remaining Group's capital commitment as at 31 March 2022 amounted to approximately HK$2,072.9 million (2021: approximately HK$516.0 million). In addition, the Remaining Group's share of joint ventures' own capital commitments amounted to approximately HK$43.3 million (2021: approximately HK$145.0 million). The Remaining Group has given guarantee to banks in connection with facilities granted to two joint ventures up to HK$450.8 million (2021: nil) and were utilised to the extent of HK$360.9 million as at 31 March 2022 (2021: nil). Save as disclosed herein, the Remaining Group had no significant contingent liabilities as at 31 March 2022.

The Remaining Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. Management of the Remaining Group is of the opinion that the Remaining Group's existing financial structure and resources are healthy and sufficient for the Remaining Group's needs in the foreseeable future.

Debt Profile and Financial Planning

As at 31 March 2022, interest-bearing debt profile of the Remaining Group was analysed as follows:

	31 March 2022	**31 March 2021**
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**1,929,380**	1,953,857
In the second year	**1,278,176**	1,036,292
In the third to fifth years, inclusive	**1,151,668**	1,706,787
	4,359,224	4.696,936
Other loans repayable:		
In the second year	**206,230**	202,270
	4,565,454	4,899,206

The effective interest rate of bank loans was approximately 2.1% per annum (31 March 2021: approximately 1.8%) and other loans carried at a fixed interest at 6.0% (31 March 2021: 6.0%) per annum.

Treasury Policy

The Remaining Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the year are the general source of funds to finance the operation of the Remaining Group. The Remaining Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

Foreign Exchange

Management of the Remaining Group is of the opinion that the Remaining Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Remaining Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Remaining Group's operating expenses. The Remaining Group therefore has not engaged in any hedging activities during the period under review.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Future Plans for Material Investments or Capital Assets

Save as disclosed above, during the year, the Remaining Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries and future plans for material investments or capital assets.

Employees and Remuneration Policies

As at 31 March 2022, the Remaining Group had 136 (2021: 136) employees in Hong Kong. The Remaining Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, we provide discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Remaining Group also provides a defined contribution to the Mandatory Provident Fund (i.e. MPF) as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

The Company operates the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Remaining Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Remaining Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The Share Option Scheme became effective on 9 August 2016 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

Prospects

2021 was a challenging year due to the pandemic and volatile political situation in Europe. Hong Kong real GDP contracted by 4.0% in the first quarter of 2022 from a year earlier, and by 3.0% on a seasonally adjusted quarter-to-quarter basis. The decline of GDP was mainly attributable to the weak performance in both domestic and external demand under the fifth-wave of the pandemic.

To stabilise the society and retain local consumption, the Hong Kong government has launched several measures e.g. consumption vouchers, employment support scheme, etc in the first half of 2022. With the further relax of social distancing measures, various sectors are bolstered.

For property markets, HKMC Insurance Limited raised the maximum property value eligible for mortgage loans to 80% loan-to-value ratio to HK$12 million (if the loan-to-value ratio is progressively adjusted to 50%, the maximum eligible property value is up to HK$19.2 million). It boosts both the primary and secondary markets. It is expected that the inflation pressure in Hong Kong is moderate and thus for the increment pace of interest rate. With the positive progress in border opening between Hong Kong and Mainland China, the property market is expected to have steady and positive development in 2022.

The Remaining Group launched the pre-sales of The Met. Azure in August 2021. The performance was remarkable that all the units released for sales on the first day were sold out on the same date. The project achieved record-high selling price per square feet in the district. The new development in Larch Street, Tai Kok Tsui is expected to have the pre-sale in the third quarter of 2022. The Hong Kong property market is resilient, and the Remaining Group is cautiously optimistic on its development.

The Remaining Group has invested in two new commercial projects during the financial year namely the Parkville Property and Jumbo Property. Both projects were joint ventured with experienced investors and the Remaining Group has taken the role of asset manager. The Remaining Group will continue to seek new investment opportunities to broaden the recurring income portfolio and capture the capital appreciation.

The Remaining Group will also focus on the asset management segment with the utilization of expertise in asset enhancements and property developments. The Remaining Group will keep looking for collaboration with strategic partners and strengthen the investment and asset management segments. It is expected that 2022 is still a challenging year. The Remaining Group will monitor the changes, risks and assets closely, and continue to capture every opportunity for its development and aims to achieve solid returns to the shareholders of the Company.

Sustainable Development

Grounded on the three pillars of “Robust Governance”, “Sustainable Places”, “Thriving People”, the Remaining Group has committed to forward-looking actions that advance our governance practices, design and operate sustainable places, as well as working together to ensure our people and value chain thrives. The Remaining Group also embarked on our 5-year ESG Roadmap this year.

A formal ESG Committee to spearhead the implementation of our 5-year ESG Roadmap was established during the year. The Remaining Group also participates in the annual GRESB (Global Real Estate Sustainability Benchmark) assessments, a widely recognised international sustainability framework in the real estate sector.

The Remaining Group has taken measures to promote environmental-friendliness of its workplace by encouraging paper-recycling culture and energy-saving culture within the Remaining Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of our properties by engaging a third-party consultancy company for the provision of services in respect of BEAM Plus Certification and other environmental assessments. The Remaining Group also includes green elements into project planning and design and oversees the environmental performances of contractors during the construction phase.

Facing the continuous challenges brought by the COVID-19 pandemic, more stringent test and quarantine guidelines have been implemented at our properties, office, and construction sites to safeguard the health of customers, tenants, employees and working partners. The Remaining Group has also provided rental relief and other forms of support to its tenants whose businesses have been affected.

The Remaining Group commits to innovating for a sustainable future.

4. FOR THE YEAR ENDED 31 MARCH 2021

Financial Results

For the financial year ended 31 March 2021, the Remaining Group's revenue and profit attributable to owners of WOG amounted to approximately HK$314.8 million (2020: approximately HK$2,372.1 million) and approximately HK$466.7 million (2020: approximately HK$457.3 million), respectively. The profit for the year was mainly attributable to the completion and delivery of jointly developed property projects and share of profits recognised from joint ventures. In the last financial year, the revenue and profit was mainly contributed by a wholly-owned property development project, The Met. Acappella.

Business Review

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$301.3 million (2020: approximately HK$2,369.6 million) which was mainly attributable to the delivery of the remaining stocks of The Met. Acappella.

In the second half of the financial year, two joint venture projects, namely maya and Altissimo were completed and handed over to buyers, and net profit of approximately HK$569.1 million was recognised.

"maya", which is located on No. 8 Shung Shan Street and No. 15 Sze Shan Street in Yau Tong was developed by the Remaining Group together with CIFI. As at 31 March 2021, 277 out of 326 units have been sold and 265 units were handed over to buyers, and the aggregate contracted sales of the units sold and delivered amounted to approximately HK$3.4 billion and approximately HK$3.1 billion, respectively. The Remaining Group owns 50% equity interest in this development project and is responsible for project management.

The Remaining Group's Whitehead project (No. 11 Yiu Sha Road, Ma On Shan), "Altissimo", is co-developed with Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers in the fourth quarter of 2020. As at 31 March 2021, 486 of the 547 units have been sold and 465 units were handed over to buyers, and the aggregate contracted sales of the units sold and delivered amounted to approximately HK$4.8 billion and approximately HK$4.3 billion, respectively. The Remaining Group owns 40% equity interest in this development project.

The new "The Met." project located at the junction of Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192) was formally named as The Met. Azure in May 2021. The project has a site area of approximately 14,400 square feet with an expected total permitted residential floor area of approximately 80,000 square feet. It is situated in an easy-accessed location, within only a several-minutes ride from the Tsing Yi MTR Station, and is also connected with major highways, including the Tsing Ma Bridge, the Tai Lam Tunnel, and the Ting Kau Bridge of Tuen Mun Road. The Met. Azure has a low-density design with a total of 320 units. Approximately 80% of the units are studio flats and the others are one-bedroom and special units. The Remaining Group believes The Met. Azure can meet different demands of single people, young families, and investors. It is expected that the pre-sale will take place in the third quarter in 2021.

In January 2021, the Remaining Group has successfully completed the acquisition of the site located at 50-62 Larch Street and 6-8 Lime Street Tai Kok Tsui through compulsory sales. The gross floor area is approximately 61,500 square feet and the site is currently under demolition work.

In October 2020, the Remaining Group and CIFI formed a new joint venture group (the "**King's Road JV Group**"), in which CIFI and the Remaining Group own 60% and 40% equity interest, respectively. The King's Road JV Group has acquired 101 and 111 King's Road, Fortress Hill for a total sum of HK$1.88 billion. The total site area is approximately 12,400 square feet. Situated between North Point commercial area and Victoria Park in Causeway Bay, the sites of King's Road are positioned at a convenient location within only a few minutes' walk to Fortress Hill MTR Station. The sites are planned to be redeveloped into a residential project with commercial space. Demolition work is expected to commence in year end.

In July 2020, the Remaining Group successfully acquired a new redevelopment site in Ap Lei Chau (Nos. 120-126, Main Street, Ap Lei Chau). The site is adjacent to Lei Tung MTR Station with convenient and fast access to the South Island Line which travels to and from central business districts in Hong Kong and Kowloon. The total attributable gross floor area upon redevelopment is approximately 37,100 square feet. Foundation work is currently undergoing at the site.

In April 2018, an indirect non wholly-owned subsidiary of the Remaining Group, has completed the acquisition of all the 16 properties located at Nos. 86A-86D Pokfulam Road, Hong Kong. The site is located at a traditional luxury residential area with easy access to Central. It will be redeveloped into luxurious properties and is undergoing the foundation works. The Remaining Group owns 70% equity interest in this property development project.

As at 31 March 2021, the Remaining Group's development land portfolio is as follows:

	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion	Interest attributable to the Remaining Group
86A-86D Pokfulam Road	28,500	28,500	Residential	2023	70%
Junction of Liu To Road and Hang Mei Street (Tsing Yi Town Lot No. 192)	14,400	90,000	Residential and Commercial	2022	100%
Nos. 120-126 Main Street Ap Lei Chau	3,600	37,100	Residential and Commercial	2023	100%
50-62 Larch Street and 6-8 Lime Street, Tai Kok Tsui	6,800	61,500	Residential and Commercial	2024	100%
101 and 111, King's Road, Fortress Hill	12,400	129,400	Residential and Commercia	2025	40%

The Remaining Group is currently in possession of three urban redevelopment projects with over 80% ownerships secured. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). In the event that no court order is granted, the Remaining Group may not be able to complete the consolidation of the ownership for redevelopment. Redevelopment can only be implemented upon acquisition of the full ownership of the relevant projects. The total attributable gross floor area upon redevelopment is approximately 175,000 square feet.

Property Investment

As at 31 March 2021, the Remaining Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK$571.2 million (31 March 2020: approximately HK$654.1 million).

During the reporting year, the Remaining Group received gross rental income of approximately HK$13.5 million (2020: approximately HK$3.7 million), representing an increase of approximately HK$9.8 million over last year. The increase in gross rental income was primarily attributable to new leases entered into with tenants and completion of rent-free period during the reporting year.

The Remaining Group has partnered with KKR to own two commercial accommodations, known as "Lake Silver" located at No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories, Hong Kong and "The Parkside" located at No. 18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong. The Remaining Group has 50% equity interest in each project. The Remaining Group has refurbished the property, improved the tenant mix and enhanced the rental yield. As at 31 March 2021, Lake Silver is fully let and The Parkside has an occupancy rate over 85%.

On 30 March 2021, the Remaining Group and an independent third party (the "**Parkville Partner**") formed a new joint venture group (i.e. the Parkville JV), in which the Remaining Group owns 50%. The Parkville JV has entered into a preliminary agreement for sale and purchase on the same date (the "**Acquisition**") with an independent third party in respect of 11 shop units and certain lift, lift lobby(ies) and staircase(s) on the ground floor and first floor of THE PARKVILLE, No. 88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories for a consideration of HK$300.0 million. On 21 June 2021, the Remaining Group and the Parkville Partner entered into a supplemental binding term sheet with two independent third parties (the "**New Investors**"). Subject to the completion of the Acquisition and obtaining the bank consent, the shareholdings of the Remaining Group, the Parkville Partner and the New Investors will be 64%, 30% and 6%, respectively. The Acquisition was completed on 25 June 2021. Details of the transaction are set out in the joint announcements published by the Company and WOG dated 30 March 2021 and 21 June 2021, respectively.

The Remaining Group will keep looking for opportunities to expand its investment properties portfolio through both self-acquisition and strategic partnership. By utilising the Remaining Group's expertise in asset management, it would seek to secure its existing recurring rental and asset management income and explore strategic expansion opportunities for additional recurring income and capital appreciation.

Liquidity and Financial Resources

As at 31 March 2021, the Group's total assets less current liabilities were approximately HK$7,994.6 million (2020: approximately HK$7,198.9 million) and the current ratio was approximately 2.4 times (2020: approximately 2.5 times). As at 31 March 2021, the Group had cash and cash equivalents of approximately HK$826.5 million (2020: approximately HK$853.6 million).

Aggregate bank borrowings as at 31 March 2021 amounted to approximately HK$4,696.9 million (2020: approximately HK$3,370.2 million). The gearing ratio was approximately 77.1% (2020: approximately 53.9%), calculated with reference to the Remaining Group's total bank borrowings net of cash and cash equivalents and the equity attributable to owners of WOG. As at 31

March 2021, the Group's property, plant and equipment, investment properties, properties under development and properties held for sale, with carrying value of approximately HK$84.6 million, HK$571.2 million, HK$4,892.5 million and HK$580.0 million, respectively (2020: approximately HK$87.9 million, HK$633.1 million, HK$3,448.4 million and HK$660.0 million, respectively), were pledged to secure the Group's general banking facilities.

The Remaining Group's capital commitment as at 31 March 2021 amounted to approximately HK$516.0 million (2020: approximately HK$486.7 million). In addition, the Remaining Group's share of joint ventures' own capital commitments amounted to approximately HK$145.0 million (2020: approximately HK$251.4 million). The Remaining Group has not given guarantee to banks in connection with facilities granted to its joint ventures as at 31 March 2021 (2020: three joint ventures up to approximately HK$1,617.6 million and were utilised to the extent of approximately HK$1,090.5 million). Save as disclosed herein, the Remaining Group had no significant contingent liabilities as at the end of the reporting period.

The Remaining Group strengthens and improves its risk control on a continual basis and adopts a prudent approach in its financial management. Financial resources are under close monitoring to ensure the Remaining Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. Management of the Remaining Group is of the opinion that the Remaining Group's existing financial structure and resources are healthy and sufficient for the Remaining Group's needs in the foreseeable future.

Debt Profile and Financial Planning

As at 31 March 2021, interest-bearing debt profile of the Group was analysed as follows:

	31 March 2021	**31 March 2020**
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**1,953,857**	1,093,677
In the second year	**1,036,292**	1,039,056
In the third to fifth year, inclusive	**1,706,787**	1,237,479
	4,696,936	3,370,212
Other loans repayable:		
In the second year	**202,270**	—
In the third to fifth year, inclusive	**—**	198,970
	4,899,206	3,569,182

The effective interest rate of bank loans was approximately 1.8% per annum (2020: approximately 3.7%) and other loans carried at a fixed interest at 6.0% (2020: 6.0%) per annum.

Treasury Policy

The Remaining Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the financial year which are the general source of funds to finance the operation of the Remaining Group. The Remaining Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The Remaining Group has entered into interest rate swap contracts for the purpose of converting part of the Remaining Group's borrowings from floating rates into fixed interest rate in order to mitigate the interest rate risk.

Foreign Exchange

Management of the Remaining Group is of the opinion that the Remaining Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Remaining Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Remaining Group's operating expenses. The Remaining Group therefore has not engaged in any hedging activities during the financial year.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Future Plans for Material Investments or Capital Assets

Save as disclosed above, during the financial year, the Remaining Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries and future plans for material investments or capital assets.

Employees and Remuneration Policies

As at 31 March 2021, the Remaining Group had 136 (2020: 126) employees in Hong Kong. The Remaining Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, the Remaining Group provides discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Remaining Group also provides a defined contribution to the MPF as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

Prospects

Hong Kong real GDP resumed appreciable year-on-year growth of 7.9% in the first quarter of 2021, led by very strong growth of exports of goods. However, the overall economic activity remained below the pre-recession level, as the COVID-19 pandemic continues to hit individual segments of the economy. The US-China trade relationship and quantitative easing policy also introduce uncertainty to the recovery of the local economy.

The rolling out of a free vaccination programme launched by the Hong Kong government and the increased awareness of people are expected to ease the local pandemic situation. With the support of low-interest rate environment and concrete demands on residential units, the property sector is expected to remain resilient over the long term.

With the expected commencement of the pre-sales of The Met. Azure, the growth momentum and branding of the Remaining Group are expected to be further improved. The Remaining Group will continue to seek to replenishes its land bank by participating in public tender, old building acquisition and land use conversion.

In the asset management and property investment sector, the Remaining Group will keep seeking new opportunities to broaden our portfolio for a stable recurring income base.

The Remaining Group is cautiously optimistic about the property market and will continue to monitor market changes closely whilst keep looking for and evaluating available opportunities in property acquisition and collaboration with strategic partners to strengthen the real estate business.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, none of the Directors and chief executive of the Company and/or any of their respective associates had interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules.

(b) Substantial shareholders' interest

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital *(%)* *(Note 3)*
WOG	Interest of controlled corporation *(Note 1)*	11,400,000,000	75
Mr. Tang Ching Ho	Other interest *(Note 2)*	11,400,000,000	75
Ms. Yau Yuk Yin	Other interest *(Note 2)*	11,400,000,000	75

Notes:

(1) WOG held the entire issued share capital of Wang On Enterprises (BVI) Limited ("**WOE**") which in turn held the entire issued share capital of Earnest Spot Limited. Earnest Spot Limited directly held 11,400,000,000 shares of the Company. Under the SFO, each of WOE and WOG was deemed to be interested in all the aforesaid shares held by Earnest Spot Limited for the sole purpose of Part XV of the SFO.

(2) Under the SFO, Mr. Tang Ching Ho was deemed to be interested in approximately 42.80% of the total issued share capital of WOG through (i) his personal interest; (ii) his spouse's interest in WOG; (iii) his corporate interest via Caister Limited, a corporation controlled by him; and (iv) his interest being a founder of a discretionary trust, namely Tang's Family Trust. Ms. Yau Yuk Yin, spouse of Mr. Tang Ching Ho, was also deemed to be interested in approximately 42.80% of the total issued share capital of WOG through (i) her personal interest; (ii) Mr. Tang Ching Ho's interest in WOG; and (iii) being a beneficiary of the Tang's Family Trust. Therefore, each of Mr. Tang Ching Ho and Ms. Yau Yuk Yin were deemed to be interested in all 11,400,000,000 shares of the Company held by WOG for the sole purpose of Part XV of the SFO.

(3) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Save as disclosed above, the Directors and the chief executive of the Company were not aware that there was any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 March 2023 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group was not engaged in any litigation or claims of material importance, and so far as the Directors are aware, no litigation or claims of material importance is pending or threatened against the Group.

7. MATERIAL CONTRACTS

Within the two years immediately preceding the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group which are or may be material:

(a) the Sale and Purchase Agreement;

(b) the Shareholders' Agreement;

(c) a transfer agreement dated 18 March 2024 entered into between Twist Pioneer Limited ("**Twist Pioneer**") (as seller), an indirect wholly-owned subsidiary of the Company, and Walter Asset Management Limited ("**Walter Asset**") (as buyer) in relation to, among other things, the assignment and transfer by way of novation of all of the Twist Pioneer's rights and obligations under the participation agreement dated 28 May 2021 between Lexus Sharp International Limited and Twist Pioneer to Walter Asset at a total consideration of US$6.25 million, the details of which are set out in the joint announcement of the Company and WOG dated 18 March 2024;

(d) on 2 February 2024, the Group conducted open market transactions to dispose of US$1.77 million 11.95% senior notes due 9 October 2024 ("**China South 11.95% Senior Notes**") and 11.50% senior notes due 12 April 2024 issued by China South City Holdngs Limited for a total consideration of approximately US$0.77 million (excluding unpaid accrued interest), the details of which are set out in the joint announcement of the Company and WOG dated 2 February 2024;

(e) a sale and purchase agreement dated 8 September 2023 entered into between Viva Action Limited ("**Viva Action**") (as vendor), an indirect wholly-owned subsidiary of the Company and Guidepost Investments Limited ("**Guidepost Investments**") (as purchaser), an indirect wholly-owned subsidiary of WYT in relation to, among other things, the disposal and acquisition of the entire issued share capital of Success Vision Limited ("**Success Vision**"), holding a property in Mei Foo Sun Chuen, Lai Chi Kok, Kowloon, Hong Kong, and the assignment of loan owing by Success Vision to Viva Action for a total consideration of

HK$43.8 million (subject to adjustment), the details of which are set out in the joint announcement of the Company, WOG and WYT dated 8 September 2023 and the circular of the Company dated 29 September 2023;

(f) a sale and purchase agreement dated 8 September 2023 entered into between Shining Sun Developments Limited ("**Shining Sun**") (as vendor), an indirect wholly-owned subsidiary of the Company and Guidepost Investments (as purchaser), an indirect wholly-owned subsidiary of WYT in relation to, among other things, the disposal and acquisition of the entire issued share capital of Nice Treasure Limited ("**Nice Treasure**") and the assignment of loan owing by Nice Treasure to Shining Sun for a total consideration of HK$35.0 million (subject to adjustment), the details of which are set out in the joint announcement of the Company, WOG and WYT dated 8 September 2023 and the circular of the Company dated 29 September 2023;

(g) a shareholders' agreement dated 28 December 2022 entered into among Wickert Investments Limited and Ever Sonic Enterprises Limited, both being indirect wholly-owned subsidiaries of the Company (together, the "**WOP JV Partners**"), Penta Holding (BVI) L.P., Penta Investment (BVI) L.P., and Fortune Harbour Investments Limited and Mega Hope Global Limited in relation to, among other things, formation of a joint venture for a project relating to a property in Luk Hop Street, Kowloon, Hong Kong with a total commitment of HK$504.0 million to be borne by the WOP JV Partners, the details of which are set out in the joint announcement of the Company and WOG dated 28 December 2022 and the circular of the Company dated 17 February 2023; and

(h) a sale and purchase agreement dated 1 September 2022 entered into between Sky Admiral Limited ("**Sky Admiral**") (as seller), an indirect wholly-owned subsidiary of the Company, and Sky Plaza Limited (as buyer), an indirect 50%-owned joint venture of the Company, in relation to, among other things, the disposal of the entire issued share capital of Star Moral Limited ("**Star Moral**") relating to a property development project in Ap Lei Chau, Hong Kong and the assignment of the shareholder's loan owing by Star Moral to Sky Admiral for a total consideration of HK$554,817,000 (subject to adjustment), the details of which are set out in the joint announcement of the Company and WOG dated 1 September 2022 and the circular of the Company dated 23 September 2022.

8. EXPERTS AND CONSENTS

The following are the qualification of the experts who have given opinion and advice, which is contained in this circular:

Name	Qualification
Asset Appraisal Limited	Independent professional valuer
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, each of the experts referred to above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

9. GENERAL

(a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3201, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

(b) The company secretary of the Company is Mr. Cheung Chin Wa Angus. He is a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

(c) The share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.woproperties.com for a period of 14 days from the date of this circular:

(a) the Sale and Purchase Agreement;

(b) the financial information of the Target Group prepared by Ernst & Young as set out in Appendix II to this circular;

(c) the report on the unaudited pro forma financial information of the Remaining Group prepared by Ernst & Young as set out in Appendix III to this circular;

(d) the valuation report on the Property prepared by Asset Appraisal Limited as set out in Appendix IV to this circular; and

(e) the letter of consent from each of the experts referred to in the paragraph headed "8. Experts and Consents" in this appendix.

宏 安 地 產
WANG ON PROPERTIES

WANG ON PROPERTIES LIMITED
宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Wang On Properties Limited (the "**Company**") will be held at 18/F, Prince's Building 10 Chater Road, Central, Hong Kong on Thursday, 11 July 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the Sale and Purchase Agreement (as defined in the circular of the Company dated 21 June 2024 of which this notice forms part (the "**Circular**")) (a copy of which has been produced in this meeting and marked "A" and initialled by the chairman of the meeting for identification purposes) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company (the "**Director**") be and is hereby authorised to do all such acts and things as the Director in his/her sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Disposal and the Sale and Purchase Agreement (each as defined in the Circular), and the transaction contemplated thereunder."

By Order of the Board
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Cheung Chin Wa Angus
Company Secretary

Hong Kong, 21 June 2024

Registered office:	*Head office and principal place of business in Hong Kong:*
Clarendon House	Suite 3201, 32/F., Skyline Tower
2 Church Street	39 Wang Kwong Road
Hamilton HM 11	Kowloon Bay
Bermuda	Kowloon
	Hong Kong

Notes:

1. A form of proxy for use at the SGM is enclosed.

2. The register of members of the Company will be closed from Monday, 8 July 2024 to Thursday, 11 July 2024 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the SGM or any adjourned meeting thereof (as the case may be), all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m., on Friday, 5 July 2024.

3. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one proxy or, if such member is a holder of more than one share of the Company, more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.

4. In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).

5. Completion and delivery of the form of proxy will not preclude members from attending and voting at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. Where there are joint holders of any shares of the Company, any one of such holders may vote at the SGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the SGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holder.

7. The above resolutions will be voted by way of a poll at the SGM.