

HISTORY, DEVELOPMENT AND REORGANISATION

HISTORY AND BUSINESS DEVELOPMENT

The Parentco Group was founded in March 1987 by Mr. Tang Ching Ho under the name of Wang On Engineering Company, which was operated as a sole proprietorship providing building-related decoration and construction services. WOG was listed on the Main Board in 1995. At the time of its listing, WOG and its subsidiaries were principally engaged in the provision of building-related decoration services, construction services and project management.

Mr. Tang Ching Ho has been the chairman and an executive director of WOG since its listing in 1995. He has been instrumental to the growth of the Parentco Group and has accumulated extensive experience in corporate management, property investment and development during his time with the Parentco Group. Under his leadership, a team of management has been put in place to operate the property business of our Group. Mr. Tang Ching Ho is the father of Mr. Tang Ho Hong, an executive Director.

Property Development

In 2004, the property development business of our Group commenced with the acquisition of a piece of leasehold land at Shatin Heights and plots of vacant land at Yuen Long for development, which was then recognised as one of the principal business segments of the Parentco Group. The first high-end residential property development project of our Group was the Meister House situated in Yuen Long, the New Territories, with a total SFA of approximately 41,000 square feet. Pre-sale of Meister House commenced in 2006 and the development was completed in May 2007. At the end of 2008, our Group launched the pre-sale of its second high-end residential property project in Shatin Heights, the New Territories, namely Godi.

In recent years, our Group has adopted a business strategy putting more emphasis on the development of small-to-medium sized residential units to meet the increasing demand on such properties, and has started to build up its “The Met.” brand name and developed a series of boutique residential properties under this brand. In 2011 and 2012, our Group launched the pre-sale of two urban renewal residential property projects located in Hung Hom, namely The Met. Focus, and Sai Ying Pun, namely The Met. Sublime, respectively. Our Group recognised income from the property sale from The Met. Focus project as revenue in the financial year ended 31 March 2014 upon completion for the project in late 2013. Similarly, our Group recorded as revenue its property sale from The Met. Sublime project following completion of the project in late 2014.

In January 2013, our Group launched the pre-sale of its first commercial property project located at Nos. 724–726 Nathan Road, Mongkok. In February 2014, our Group launched the pre-sale of another residential property project located in Cheung Sha Wan, Kowloon, namely The Met. Delight.

As at the Latest Practicable Date, our Group had five residential and/or commercial property development projects in Kowloon and the New Territories with an aggregate expected GFA of approximately 760,000 sq.ft. and which are estimated to complete during the period from 2017 to 2019. Our Group holds the entire interest in three out of these five projects and majority interest in the remaining two projects.

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With a view to continuing the success of our “The Met.” series of property development projects, three of our current projects focus on development of small-to-medium sized residential units. These three projects are all located in the New Territories, two of which are in Ma On Shan and one on Tai Po Road. In order to further diversify the business operations of our Group and provide additional options to our target customers, we also have a development project in Yau Tong which is currently intended to feature medium-to-large sized apartments. With respect to the commercial segment, we also have an upcoming project expecting to complete in 2017 which would feature design of Ginza-style commercial building with restaurant and retail spaces.

Property Investment

Our Group’s property investment segment focuses on commercial properties in the Hong Kong property market and can be traced back to 1997 when we first acquired shops and wet markets at Lung Mun Oasis, Tuen Mun for investment purpose. Since then, we have invested in a number of properties as part of our property investment business for stable recurring rental income and capital appreciation. As at the Latest Practicable Date, we held (i) eight properties held for investment comprising seven commercial properties and one industrial property, with a total value of HK\$598.5 million valued by the Property Valuer as at 31 December 2015; and (ii) one acquired property held for sale, which was a commercial property comprising 89 car parking spaces in Shatin Centre, with a total value of approximately HK\$88.7 million valued by the Property Valuer as at 31 December 2015.

Key Milestones in our Business Development

The following table sets out some of the key milestones of our Group’s business development:

Year	Key Milestone
1997	Our Group commenced its property investment business with its acquisition of shops and wet markets at Lung Mun Oasis, Tuen Mun for investment purpose
2004	Our Group first commenced its property development business with its acquisition of a piece of leasehold land at Shatin Heights and plots of vacant land situated at Yuen Long
2006	Commencement of pre-sale of our Group’s first high-end residential development, the Meister House, situated in Yuen Long
2008	Commencement of pre-sale of our Group’s second high-end residential development, Godi, situated in Shatin Heights
2011	Commencement of pre-sale of The Met. Focus, an urban renewal residential property project in Hung Hom
2012	Commencement of pre-sale of The Met. Sublime, an urban renewal residential property project in Sai Ying Pun
2013	Commencement of pre-sale of our Group’s first commercial property project located at 724–726 Nathan Road, Mongkok

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Year	Key Milestone
2014	<p>Commencement of pre-sale of The Met. Delight, a residential property project in Cheung Sha Wan, Kowloon</p> <p>Two non wholly-owned subsidiaries (in which our Group holds 60% equity interests) entered successful bids to acquire two pieces of adjacent government lands with a total expected GFA of approximately 315,000 sq.ft. in aggregate located in Ma On Shan</p>
2015	Our Group entered successful bid to acquire another piece of government land with a total expected GFA of approximately 148,000 sq.ft. on Tai Po Road

CORPORATE HISTORY

Our Company

Our Company was incorporated under the laws of Bermuda as an exempted company with limited liability on 19 November 2015. On the date of incorporation, the authorised share capital of our Company was HK\$100,000 divided into 10,000,000 Shares of HK\$0.01 each and 100,000 Shares were allotted and issued to WOE as its first Shareholder on 2 December 2015. Our Company is principally engaged in investment holding.

Principal Subsidiaries of our Company

In general, our Group’s principal operating subsidiaries are project/property-specific, i.e. we use individual project companies for holding, development and/or sale of project and property investment. Our principal subsidiaries are directly/indirectly held by two investment holding companies, namely East Run and More Action, which are indirect wholly-owned subsidiaries of our Company.

Set out below is a brief summary of certain corporate information in respect of our principal subsidiaries engaged (or previously engaged) in our residential and commercial property development and commercial and industrial property investment businesses during the Track Record Period.

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Principal subsidiaries engaged in property development business

Name	Date of Incorporation	Shareholding percentage attributable to our Group
China Tech	30 March 2009	100%
City Target (<i>Note 1</i>)	18 March 2009	100%
Double Bright	9 January 2009	100%
Double Vantage	20 April 2010	100%
Ever World	12 September 2007	100%
Grandwall	13 May 2011	60% (<i>Note 3</i>)
New Rich	1 November 2007	60% (<i>Note 4</i>)
Rich System	6 July 2010	100%
Top Strong (<i>Note 2</i>)	28 July 2010	100%
Vincent Investments	19 October 2001	100%

Notes:

1. As at the Latest Practicable Date, the property development held by City Target at Nos. 724 & 726 Nathan Road, Kowloon had completed and the principal business activity of the company was to hold two unsold commercial units pending sale.
2. All the interests held by Top Strong in a development project had been transferred to Rich System on 26 September 2011. Top Strong remained dormant throughout the Track Record Period up to the Latest Practicable Date.
3. Grandwall was held as to 40% by Kam Wah Successful Limited as at the Latest Practicable Date. Save for its shareholding in Grandwall, Kam Wah Successful Limited was an Independent Third Party as at the Latest Practicable Date. Grandwall is a 60%-owned subsidiary of our Group principally engaged in holding the investment in our development project at Ma Kam Street, Ma On Shan, New Territories.
4. New Rich was held as to 40% by Kam Wah Sure Win Limited as at the Latest Practicable Date. Save for its shareholding in New Rich, Kam Wah Sure Win Limited was an Independent Third Party as at the Latest Practicable Date. New Rich is a 60%-owned subsidiary of our Group principally engaged in holding the investment in our development project at Hang Kwong Street, Ma On Shan, New Territories.

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Principal subsidiaries engaged in property investment business

Name	Date of Incorporation	Shareholding percentage attributable to our Group
Antic Investment	24 March 2005	100%
Champford	7 March 2005	100%
City Global	18 March 2009	100%
First World	17 January 2008	100%
Fly Star	23 November 2007	100%
Hovan	1 November 2007	100%
Longable	8 September 2004	100%
Million Link	22 November 2013	100%
New Earth	11 January 2011	100%
New Golden	14 May 2007	100%
Oriental Sino	16 January 2009	100%
Shiny World	26 January 2005	100%
Wang To	26 May 1994	100%
Win Regent	30 March 2009	100%

Investment Holding and Other Subsidiaries

Apart from the principal subsidiaries above, we also hold via East Run and More Action: (i) Wang On Services, Wang On Secretarial and Wang On Corporate to provide management, secretarial and corporate services to our Group upon [REDACTED]; (ii) Champion Value holding equipment used in our Group’s ordinary course of business; (iii) Wang On Asset Management to provide management services to our Group’s property development projects; and (iv) certain inactive subsidiaries incorporated in Hong Kong and the BVI.

Further details on the subsidiaries of our Company are set out in “Appendix I — Accountants’ Report” in this [REDACTED].

Major Acquisitions and Disposals

During the Track Record Period and up to the Latest Practicable Date, our Group had completed the following major acquisitions and disposals:

- (a) On 14 June 2012, Champford (as vendor) entered into a provisional sale and purchase agreement with Mega Elegant Limited (as purchaser), an Independent Third Party, to dispose of a property located at G/F., No. 170 Castle Peak Road, Section A of Lot No.3705 in DD120, Yuen Long, New Territories, Hong Kong. The total consideration of the disposal was HK\$82.8 million, and the transaction was completed on 25 October 2012. The total consideration was determined after arm’s length negotiations between the parties with reference to the prevailing market price of similar properties in similar location. We were of the view this disposal would benefit our Group by realising its investment in the property and

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also improve the liquidity and overall financial position of our Group. The total consideration of HK\$82.8 million represents approximately 3.3% of the total assets of our Group as at 31 March 2012.

- (b) On 20 July 2012, Win Regent (as vendor) entered into a provisional sale and purchase agreement with Ku Sing Man (as purchaser), an Independent Third Party, to dispose of a property located at Shop 23, G/F., No. 16 Mei Tin Road and Nos. 15 & 35 Tsuen Nam Road, Grandway Garden, Shatin, New Territories, Hong Kong. The total consideration for the disposal was HK\$50.3 million and the transaction was completed on 30 November 2012. The total consideration was determined after arm's length negotiations between the parties with reference to the prevailing market price of similar properties in similar location. We were of the view that this disposal would benefit our Group by realising its investment in the property and also improve the liquidity and overall financial position of our Group. The total consideration of HK\$50.3 million represents approximately 2.0% of the total assets of our Group as at 31 March 2012.
- (c) On 20 November 2012, Tsuen Wan Properties Limited and Riviera Entertainment Limited, Independent Third Parties, executed an acceptance of offer in favour of World Way which confirmed our Group's success in the acquisition of a shopping mall at Riviera Gardens, Tsuen Wan for a consideration of HK\$508.0 million. Completion of the acquisition took place on 2 July 2013. The consideration was the price of the final bid made by World Way at the tender. Our directors considered the consideration was fair and reasonable having taken into account the prevailing market price of similar properties in similar locations. We were of the view that this acquisition would help enhance and enlarge the property investment portfolio of, and bring additional stable rental income to, our Group. The total consideration of HK\$508.0 million represents approximately 20.3% of the total assets of our Group as at 31 March 2012.
- (d) On 30 November 2013, Hovan (as vendor) entered into a provisional sale and purchase agreement with Success Bid Limited (as purchaser), an Independent Third Party, to dispose of a property located at Front Portion, Ground Floor, Nathan Apartments, No. 510 Nathan Road, Kowloon, Hong Kong. The total consideration was HK\$60.0 million, and the transaction was completed on 8 April 2014. The total consideration was determined after arm's length negotiations between the parties with reference to the prevailing market price of similar properties in similar location. We were of the view that the disposal would benefit our Group by realising its investment in the property and also improve the liquidity and overall financial position of our Group. The total consideration of HK\$60.0 million represents approximately 1.6% of the total assets of our Group as at 31 March 2013.
- (e) On 7 November 2014, Oriental Sino (as purchaser) entered into a preliminary sale and purchase agreement with King Prosper Trading Limited (as vendor), an Independent Third Party, to acquire a property located at Shop AB on Ground Floor, Po Wing Building, Nos. 61, 63, 65, 67, 71 & 73 Lee Garden Road, Nos. 108, 110, 112, 116, 118 & 120 Percival Street, Hong Kong. The total consideration was HK\$210.0 million, and the transaction was completed on 16 February 2015. The total consideration of HK\$210.0 million was determined after arm's length negotiations between the parties with reference to the prevailing market price of similar properties at similar location and the prevailing rental

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yield. We believed in the long term prospect of commercial properties in Hong Kong and hence considered that this acquisition would strengthen our Group’s property portfolio and/or income base. The consideration of HK\$210.0 million represents approximately 5.1% of the total assets of our Group as at 31 March 2014.

- (f) On 12 August 2015, East Run (as vendor) entered into a provisional sale and purchase agreement with Dragon Jet Limited (as purchaser), an Independent Third Party, and WOG (as guarantor) to dispose of Easy Kingdom which holds a property located at Shop No. 4 & 5 on Ground Floor, Mongkok Building, Nos. 93, 95 & 99 Mongkok Road, Nos. 135A & 135B Sai Yee Street, Kowloon, Hong Kong. The total consideration was HK\$158.0 million (subject to adjustment as stipulated in the agreement), and the transaction was completed on 11 November 2015. The total consideration was determined after arm’s length negotiations between the parties with reference to the net asset value of Easy Kingdom, after the repayment of the existing mortgage loan owed by Easy Kingdom, and the prevailing market price of similar properties in similar location. We were of the view this disposal would benefit our Group by indirectly realising its investment in the property and also strengthen the liquidity and overall financial position of our Group. The total consideration of HK\$158.0 million represents approximately 2.7% of the total assets of our Group as at 31 March 2015.
- (g) On 13 November 2015, East Run (as vendor) entered into a conditional sale and purchase agreement with Guidepost Investments Limited (as purchaser), a wholly-owned subsidiary of Wai Yuen Tong Medicine Holdings Limited, which was held by the Parentco Group as to approximately 22.08% as at the Latest Practicable Date, to dispose of two wholly-owned subsidiaries, namely Sunbo and Good Excellent, which hold properties located at Shop B on Ground Floor, including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories and all that Shop on Ground Floor, with the Cockloft, 60A Yen Chow Street, Kowloon, respectively. The aggregate consideration for the disposals was HK\$70.0 million (subject to adjustment as stipulated in the agreement), and the transaction was completed on 23 December 2015. The aggregate consideration was determined after arm’s length negotiations between the parties with reference to the valuation of such properties and the prevailing market price of similar properties in similar locations. We were of the view this disposal would benefit our Group by realising its investment in the properties and also improve the liquidity and overall financial position of our Group. The aggregate consideration of HK\$70.0 million represents approximately 1.3% of the total assets of our Group as at 30 September 2015.
- (h) On 1 December 2015, East Run (as vendor) entered into a sale and purchase agreement with Super Eagle Limited (as purchaser), an Independent Third Party, and WOG (as guarantor), to dispose of Level Success, which holds properties known as “Riviera Gardens” located at Tsuen Wan, New Territories together with the right to use and occupy a commercial building known as “Riviera Plaza” of Riviera Gardens and all those car parking spaces of Riviera Plaza of Riviera Gardens. The total consideration was HK\$823.0 million (subject to adjustment as stipulated in the agreement), and the transaction was completed on 15 February 2016. The total consideration of HK\$823.0 million was determined after arm’s length negotiations between the parties with reference to the net asset value, excluding existing mortgage loan and shareholder loan and prevailing market price of similar properties in similar location. We were of the view that this disposal would benefit our Group by

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indirectly realising its investment in the property and also improve the liquidity and overall financial position of our Group. The total consideration of HK\$823.0 million represents approximately 15.1% of the total assets of our Group as at 30 September 2015.

THE SPIN-OFF

Having considered, among other things, that our residential and commercial property development and commercial and industrial property investment businesses have grown to a sufficient size which warrants a separate [REDACTED] on the Stock Exchange, WOG submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules. The Stock Exchange had confirmed that WOG may proceed with the Spin-off as proposed. Our Company will comply with the requirements under Practice Note 15 and the applicable requirements of the Listing Rules regarding the Spin-off as and when necessary.

The board of directors of WOG believed that the Spin-off would be beneficial to both WOG and our Company for the following reasons:

- (i) the Spin-off essentially and substantively separates the residential and commercial property development and commercial and industrial investment businesses from the other businesses of WOG, thereby enabling investors and financiers to appraise the strategies, functional exposure, risks and returns of the respective businesses of WOG and our Company separately and to make their investment decisions accordingly;
- (ii) the Spin-off will provide an opportunity for investors to invest in either one or both of the business models, thereby unlocking the value of the businesses of WOG and our Company which will allow the true market value of each company to be better reflected;
- (iii) as a separate [REDACTED] entity, our Company will have its own separate management structure focusing on the property business while the management of WOG will be able to focus on its retained business;
- (iv) the management teams of WOG and our Company may adopt different business strategies and models which they determine to be better suited to the two different businesses, and which, due to the different nature of such businesses, may not always be aligned;
- (v) the Spin-off will provide a separate fund raising platform for our Company thereby enabling it to raise the capital required to finance its future expansion without reliance on WOG to do so; and will allow both WOG and our Company to target their respective investor base more effectively which in turn improves capital raising on a competitive basis and capital allocation to enhance growth within each company; and
- (vi) WOG intends to maintain not more than [REDACTED]% equity interest in our Company upon completion of the Spin-off. Accordingly, WOG will continue to benefit from any potential upside in the business of property development and investment in Hong Kong through receipt of dividend distributions of our Company.

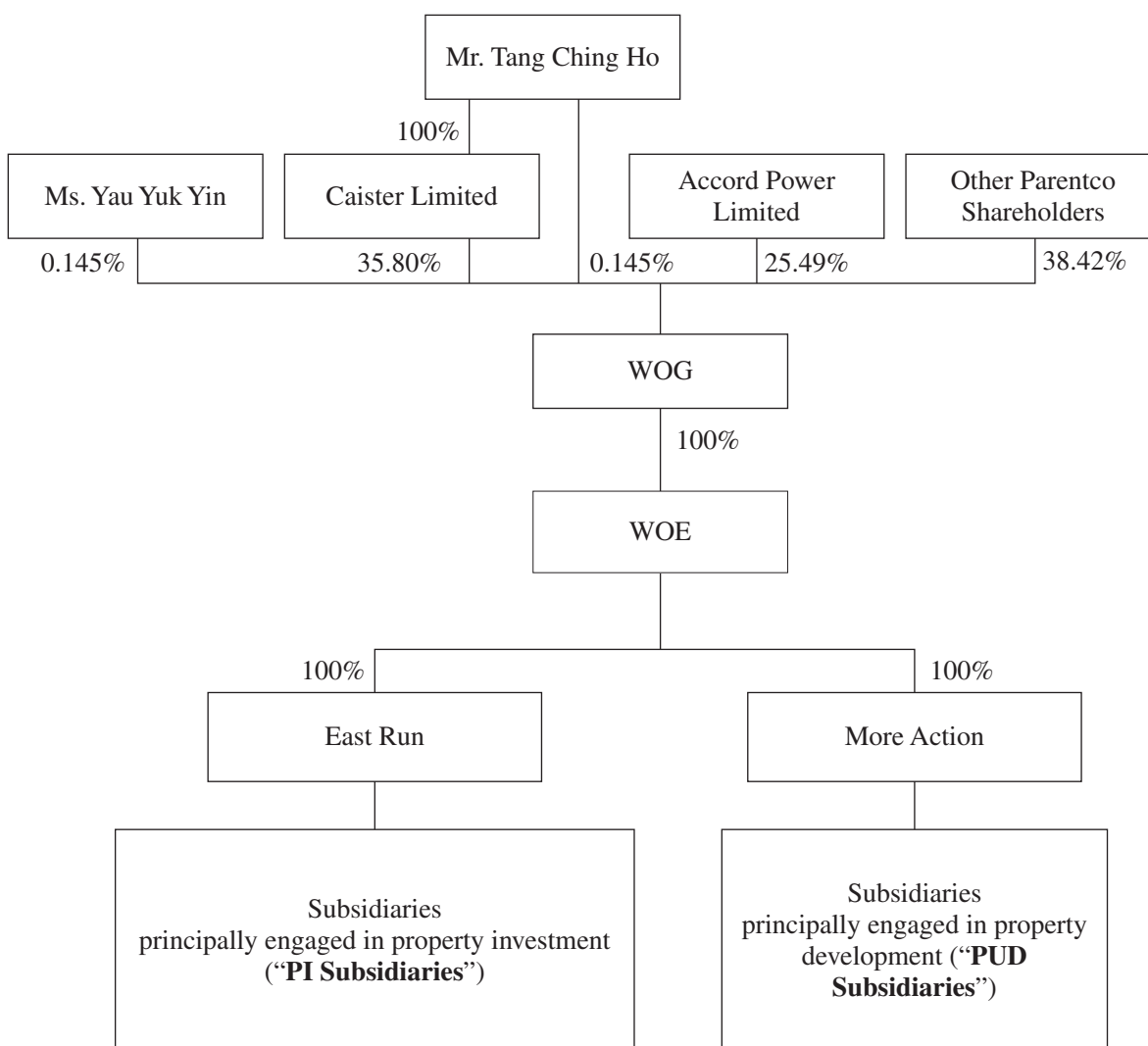
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In accordance with the requirements of Practice Note 15 of the Listing Rules, WOG will give due regard to the interests of its shareholders by providing Qualifying Parentco Shareholders with [REDACTED] to the Shares by way of the [REDACTED]. Details of the [REDACTED] are described in the section headed “Structure and Conditions of the [REDACTED] — The [REDACTED]” in this [REDACTED].

REORGANISATION

Corporate Structure of our Group

The following chart illustrates the simplified corporate structure of our Group immediately prior to the commencement of the Reorganisation on 22 May 2015:



Note 1: Intermediate holding companies incorporated in the BVI, subsidiaries providing management, secretarial and corporate services to our Group and management services to our Group's property development projects, a subsidiary holding equipment used in our Group's ordinary course of business and other inactive subsidiaries are not specifically referred to in the above group structure chart.

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Note 2: Two non wholly-owned PUD Subsidiaries, namely Grandwall and New Rich, are respective owned as to 40% by Kam Wah Successful Limited and Kam Wah Sure Win Limited as at the Latest Practicable Date. Save for their respective shareholding in Grandwall and New Rich, Kam Wah Successful Limited and Kam Wah Sure Win Limited are Independent Third Parties.

Note 3: Ms. Yau Yuk Yin is an executive director of WOG and is the spouse of Mr. Tang Ching Ho. Accord Power Limited is wholly owned by the trustee of the Tang’s family trust (the “**Tang’s Family Trust**”) established on 26 January 2005, under which Mr. Tang Ching Ho is an appointer and Mr. Tang Ching Ho’s family members are the eligible beneficiaries.

Reorganisation

Our Group underwent the Reorganisation in preparation for the [REDACTED] pursuant to which our Company became the holding company of East Run and More Action, which are the direct/indirect holding companies of our Group’s principal subsidiaries. The Reorganisation principally involved the following steps:

Acquisition and disposal of subsidiaries in preparation for the [REDACTED]

In preparation for the [REDACTED], we acquired the entire shareholding in (i) Ace Solar for the purpose of our Group’s property investment business on 22 May 2015; and (ii) Wang On Asset Management which provides management services to our Group’s property development projects on 26 June 2015.

In preparation for the [REDACTED] and in order to streamline the shareholding structure of our Group, we disposed of our entire shareholding in a number of subsidiaries, namely Excellence Star on 30 June 2015, Advance Prime and Source Millennium on 18 November 2015, and Ventix and WEH on 1 December 2015 respectively, which, as at the Latest Practicable Date, were not engaged (directly or via subsidiaries held by it) in any business operations or were otherwise dormant.

On 7 December 2015, East Run transferred to the Remaining Parentco Group the entire issued share capital in Richly Gold, a property holding subsidiary holding a residential property in Shatin, the New Territories, which will be retained by WOG as housing for one of its executive directors. For details, please refer to the section headed “Relationship with Controlling Shareholders” of this [REDACTED].

Incorporation of intermediate holding entities

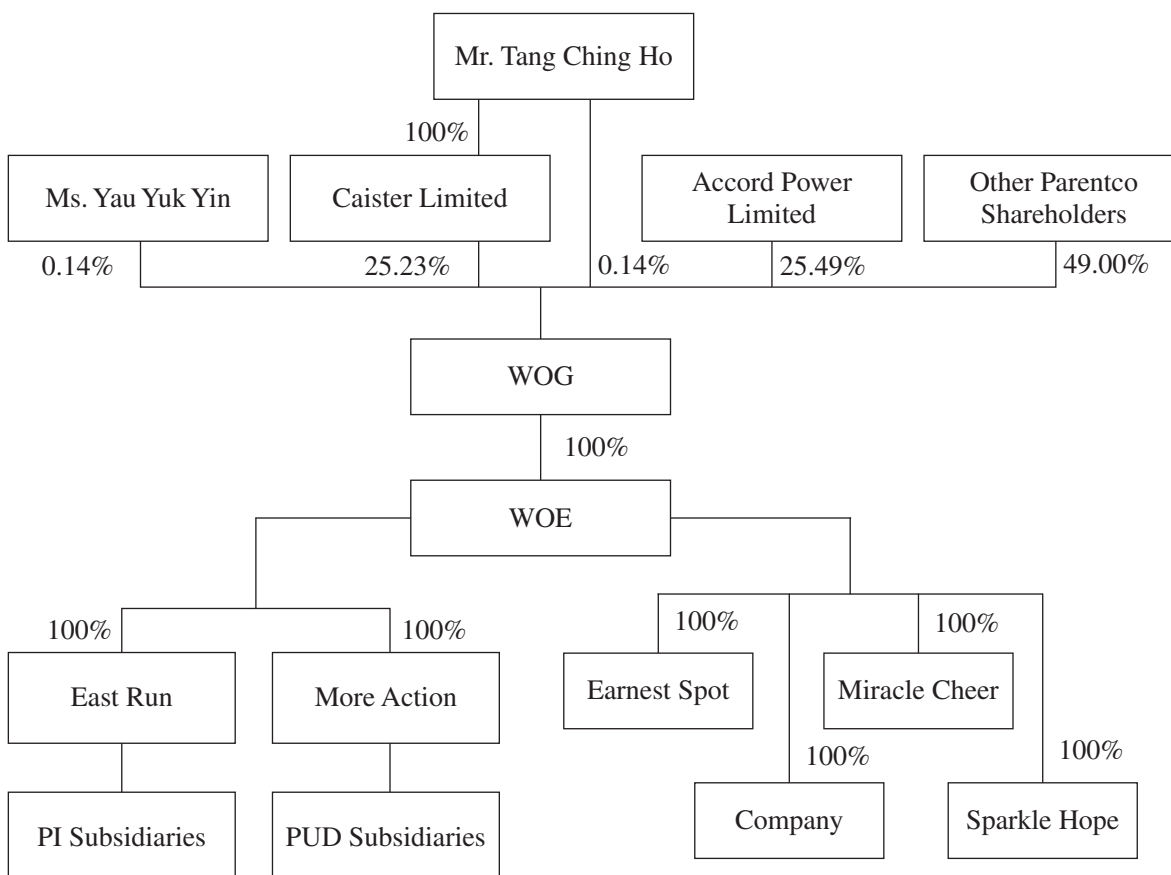
On 18 November 2015, Earnest Spot was incorporated under the laws of the BVI with limited liability. Its initial shareholder was WOE and one ordinary share of US\$1.00 in the issued share capital of Earnest Spot was issued to WOE on 30 November 2015.

On 18 November 2015, Miracle Cheer was incorporated under the laws of the BVI with limited liability. Its initial shareholder was WOE and one ordinary share of US\$1.00 in the issued share capital of Miracle Cheer was issued to WOE on 30 November 2015.

On 18 November 2015, Sparkle Hope was incorporated under the laws of the BVI with limited liability. Its initial shareholder was WOE and one ordinary share of US\$1.00 in the issued share capital of Sparkle Hope was issued to WOE on 30 November 2015.

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The following diagram shows the shareholding and corporate structure of our Group on 2 December 2015 after incorporation of intermediate holding entities and the Company and the respective issues of shares by them to their respective first shareholders:



Note 1: Intermediate holding companies incorporated in the BVI, subsidiaries providing management, secretarial and corporate services to our Group and management services to our Group’s property development projects, subsidiary holding equipment used in our Group’s ordinary course of business and other inactive subsidiaries are not specifically referred to in the above group structure chart.

Note 2: Two non wholly-owned PUD Subsidiaries, namely Grandwall and New Rich, are respectively owned as to 40% by Kam Wah Successful Limited and Kam Wah Sure Win Limited as at the Latest Practicable Date. Save for their respective shareholding in Grandwall and New Rich, Kam Wah Successful Limited and Kam Wah Sure Win Limited were Independent Third Parties as at the Latest Practicable Date.

Note 3: Ms. Yau Yuk Yin is an executive director of WOG and is the spouse of Mr. Tang Ching Ho. Accord Power Limited is wholly owned by the trustee of Tang’s Family Trust, under which Mr. Tang Ching Ho is an appointer and Mr. Tang Ching Ho’s family members are the eligible beneficiaries.

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Restructuring of investment holding entities in preparation of the Spin-off

On 16 March 2016, Miracle Cheer acquired from WOE the entire issued share capital of Sparkle Hope for a consideration of HK\$1.00. Immediately upon completion of the said transfer, our Company acquired from WOE the entire issued share capital of Miracle Cheer for a consideration of HK\$1.00. On the same date and upon our Company’s acquisition of Miracle Cheer, Earnest Spot acquired the entire issued share capital of our Company from WOE for a consideration of HK\$1.00.

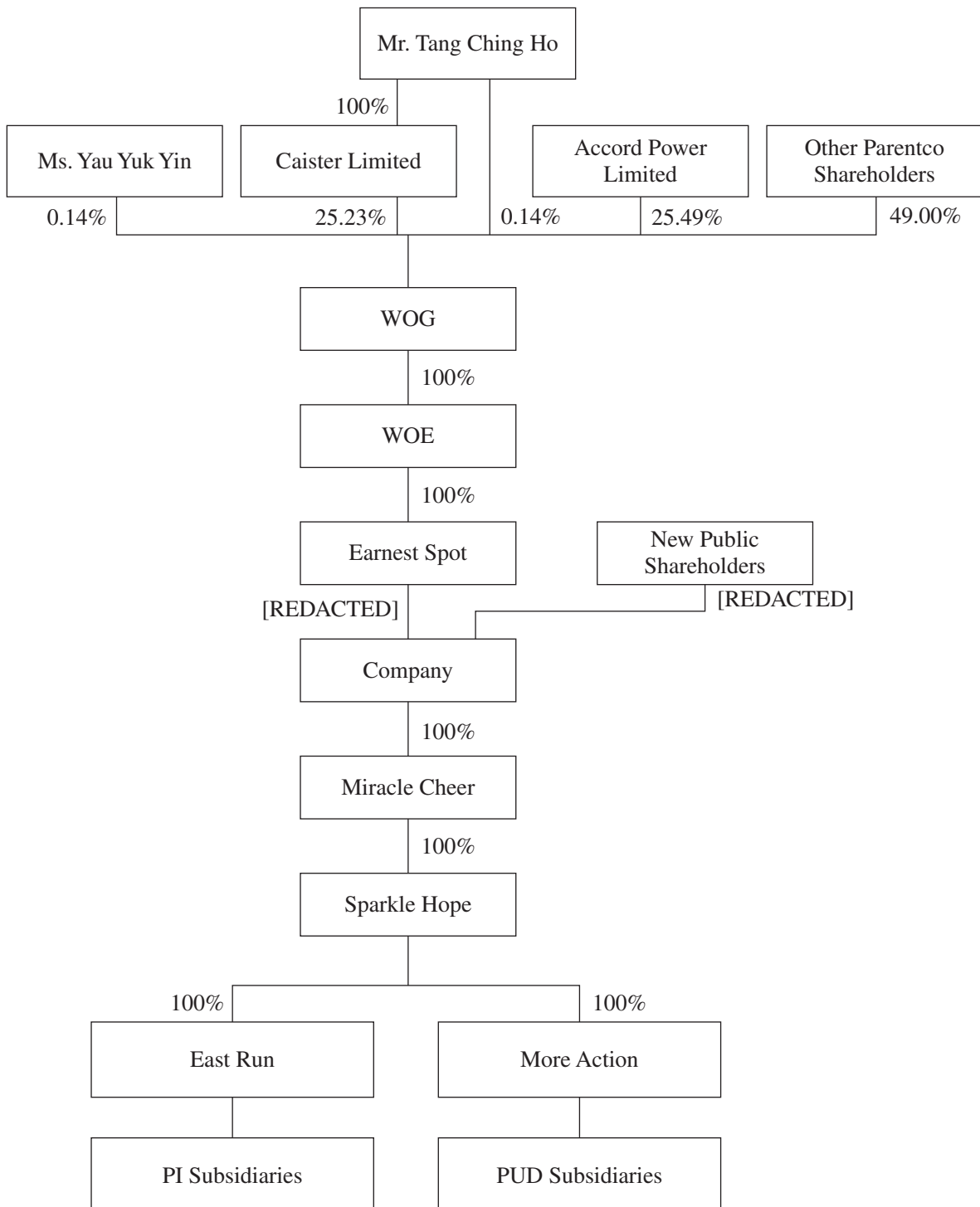
On 16 March 2016, Sparkle Hope acquired from WOE the entire issued share capital of, and shareholders’ loans owed by, East Run and More Action at an aggregate consideration of HK\$2,047,989,378, which is based on: (i) the combined net asset value of East Run and More Action as at 29 February 2016 of approximately HK\$496,443,000; and (ii) shareholders’ loan owed by East Run and More Action to WOE in the respective sums of approximately HK\$146,142,000 and HK\$1,405,404,000.

As a result of the said acquisition, Sparkle Hope will be indebted to WOE a sum (the “**Resultant Loan**”) equal to the aggregate consideration referred to in sub-paragraphs (i) and (ii) above. On 16 March 2016, WOE entered into an assignment to assign the Resultant Loan to Earnest Spot in consideration of which Earnest Spot issued to WOE one share, credited as fully paid, in its issued share capital. Immediately after the said assignment by WOE, Earnest Spot assigned the Resultant Loan to our Company, for a consideration of HK\$1.00.

On 2 February 2016, the authorised share capital of our Company was increased from HK\$100,000 (comprising 10,000,000 Shares of HK\$0.01 each) to HK\$50,000,000 of 5,000,000,000 Shares by the creation of an additional 4,990,000,000 Shares.

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The shareholding structure of our Group immediately after the Reorganisation, the Capitalisation Issue and the [REDACTED] (but without taking into account any Shares which may fall to be issued pursuant to the [REDACTED]) is set out as follows:



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Note 1: Intermediate holding companies incorporated in the BVI, subsidiaries providing management, secretarial and corporate services to our Group and management services to our Group’s property development projects, a subsidiary holding equipment used in our Group’s ordinary course of business, a subsidiary holding car parking spaces for investment purpose and other inactive subsidiaries are not specifically referred to in the above group structure chart.

Note 2: Two non wholly-owned PUD Subsidiaries, namely Grandwall and New Rich, are respectively owned as to 40% by Kam Wah Successful Limited and Kam Wah Sure Win Limited as at the Latest Practicable Date. Save for their respective shareholding in Grandwall and New Rich, Kam Wah Successful Limited and Kam Wah Sure Win Limited were Independent Third Parties as at the Latest Practicable Date.

Note 3: Ms. Yau Yuk Yin is an executive director of WOG and is the spouse of Mr. Tang Ching Ho. Accord Power Limited is wholly owned by the trustee of Tang’s Family Trust, under which Mr. Tang Ching Ho is an appointer and Mr. Tang Ching Ho’s family members are the eligible beneficiaries.

Notwithstanding Mr. Tang Ching Ho’s deemed interest in WOG, Mr. Tang Ching Ho does not control the exercise of voting rights of our Company and will not be able to exercise de-facto control over WOG as to how WOG may vote in respect of Shares in our Company. The reasons are:

- (A) the exercise of voting rights in our Shares generally rests with the board of directors of WOG, not WOG’s shareholders. Mr. Tang Ching Ho and his spouse, Ms. Yau Yuk Yin, are two of seven directors of the board of WOG (four of whom are independent non-executive directors). Mr. Tang Ching Ho and Ms. Yau Yuk Yin do not form a majority of the board of WOG. When a resolution of our Company is proposed, the board of directors of WOG will decide (by a majority of the directors) how WOG will vote, as a shareholder of our Company, in respect of such resolution. The board of WOG is empowered under the bye-laws of WOG to make such decision on behalf of WOG;
- (B) Mr. Tang Ching Ho’s de-facto control over WOG is through his direct and indirect shareholdings in WOG only. As a shareholder, he may exercise de-facto control over WOG only to the extent of voting in respect of shares of WOG, not in respect of voting rights held by WOG in our Company. The board of directors of WOG, not its shareholders, controls the exercise of WOG’s voting rights in our Company. As such, Mr. Tang Ching Ho’s de-facto control over WOG through his shareholding does not enable him to control the exercise of voting rights of WOG in our Company; and
- (C) WOG is a listed company on the Stock Exchange with its own management. The affairs of WOG are managed by its directors and senior management, not its shareholders. These affairs include the operation of the businesses of WOG and the exercise of voting rights held by WOG in other companies such as our Company. The shareholders of WOG may only control the exercise of voting rights in WOG, not the exercise of voting right in other companies held by WOG.

In light of the above, Mr. Tang Ching Ho is therefore not a controlling shareholder of our Company for the purposes of the Listing Rules.