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

If you have sold or transferred all your shares in Wah Wo Holdings Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank manager, 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 transferee.

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Wah Wo Holdings Group Limited

華和控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9938)

**MAJOR TRANSACTION
ACQUISITION OF THE PROPERTY**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Provisional Agreement
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Wah Wo Holdings Group Limited, company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock code: 9938)
“Completion”	completion of the Acquisition
“Condition(s)”	the conditions precedent to Completion pursuant to the Provisional Agreement, as further described under the section headed “Major terms of the Provisional Agreement — Conditions”
“Consideration”	the sum of HK\$45,000,000, being the purchase price of the Property
“Director(s)”	the directors of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor on or before 31 December 2021 in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a third party or third parties independent of and not connected with (within the meaning of the Listing Rules) any directors, chief executive, substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Latest Practicable Date”	13 December 2021, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Property”	Workspace A and Workspace B on 2/F, Lee King Industrial Building, No. 12 Ng Fong Street, Kowloon, Hong Kong
“Property Agent”	Midland Realty (Comm. & Ind. II) Limited (美聯物業(工商II)有限公司), a limited company incorporated in Hong Kong, and a wholly-owned subsidiary of Midland IC&I Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 459)
“Provisional Agreement”	the provisional sale and purchase agreement dated 15 November 2021 and entered into between the Purchaser, the Vendor and the Property Agent in relation to the Acquisition
“Purchaser”	Wah Yu Global Investment Limited (華譽環球投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Park Place Limited (貴萃有限公司), a company incorporated in Hong Kong with limited liability and is wholly owned by one Lubbermann Chu Kuei Hwa (朱貴華)
“Written Approval”	the written approval from Ornate Bright Limited, which holds 750,000,000 issued ordinary Shares (representing 75% of the entire issued share capital of the Company as at the date of this circular), in respect of the Acquisition and the transactions contemplated thereunder
“sq. ft.”	square feet
“%”	per cent.

LETTER FROM THE BOARD

Wah Wo Holdings Group Limited

華和控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9938)

Executive Directors:

Mr. Chen Yuet Wa (*Chairman and Chief Executive Officer*)
Mr. Chan Fai

Independent Non-executive Directors:

Mr. Chow Chi Fai
Mr. Chan Hon Ki
Mr. Yu Chi Wing

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Flat A & D, 4/F, Phase 1
Kwai Shing Industrial Building
36–40 Tai Lin Pai Road
Kwai Chung, New Territories
Hong Kong

21 December 2021

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
ACQUISITION OF THE PROPERTY**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 15 November 2021.

On 15 November 2021 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Provisional Agreement with, among others, the Vendor, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Property at the Consideration of HK\$45,000,000.

The purpose of this circular is to provide you with, among other things, further information on the transactions contemplated under the Acquisition and other information as required to be contained in this circular under the Listing Rules.

LETTER FROM THE BOARD

II. MAJOR TERMS OF THE PROVISIONAL AGREEMENT

Major terms of the Provisional Agreement and the transactions contemplated thereunder are set out below:

- Date** : 15 November 2021
- Parties** : (a) Wah Yu Global Investment Limited (華譽環球投資有限公司) (i.e. the Purchaser);
- (b) Park Place Limited (貴萃有限公司) (i.e. the Vendor); and
- (c) Midland Realty (Comm. & Ind. II) Limited (美聯物業(工商II)有限公司) (i.e. the Property Agent)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor, the Property Agent are Independent Third Parties.

- Property to be acquired** : Workspace A and Workspace B on 2/F, Lee King Industrial Building, No. 12 Ng Fong Street, Kowloon, Hong Kong (i.e. the Property)

The Property comprised of two workspaces located on the second floor of Lee King Industrial Building, with total gross floor area of approximately 12,000 sq. ft.. The Property shall be used for non-domestic purpose only

The Property is sold on an “as is” basis.

- Consideration and payment terms** : The Consideration is in the sum of HK\$45,000,000, which shall be paid in the following manner:
- (a) a sum of HK\$2,250,000, being the initial deposit (the “**Initial Deposit**”), was paid to the Vendor’s solicitor as stakeholder upon signing of the Provisional Agreement;
- (b) a sum of HK\$2,250,000, being the further deposit (together with the Initial Deposit, the “**Deposits**”) shall be paid to the Vendor’s solicitor as stakeholder on or before 31 December 2021; and
- (c) a sum of HK\$40,500,000, being the balance of the Consideration, shall be paid upon Completion.

LETTER FROM THE BOARD

It is estimated that the transaction cost of the Acquisition including stamp duty, commission to the Property Agent and legal fees will be approximately HK\$2,391,000.

The Consideration was determined after arm's length negotiations between the parties with reference to, among others, the cost to remove or cause the removal of the UBW and the prevailing market value of comparable properties available in the vicinity. The Directors consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Consideration shall be funded by internal resources and banking facilities available to the Group.

Pursuant to the Company's interim report for the six months ended 30 September 2021, it had cash and cash equivalents of approximately HK\$100.2 million and among which the unutilised balance of the net proceeds from the listing of the Shares on the Main Board of the Stock Exchange on 17 January 2020 (the "**Listing**") as at 30 September 2021 amounted to only approximately HK\$9.3 million (i.e. approximately 9.3% of the cash and cash equivalents of approximately HK\$100.2 million as at 30 September 2021). As such, the Directors consider that the Company will have sufficient cash resources to settle the Consideration and no part of the Consideration will be paid out of the Company's unutilised balance of the net proceeds from the Listing.

Conditions

- : Without prejudice to the Vendor's duty to prove and give title in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219), Completion is subject to the satisfactory fulfillment of the following Conditions:
- (a) all necessary approvals by the government and regulatory authorities (including but not limited to the Stock Exchange), corporate approvals and consents for the Acquisition and the transactions contemplated thereunder being obtained;
 - (b) in relation to the Acquisition and the transactions contemplated thereunder, all relevant regulatory requirements (including but not limited to those under the Listing Rules) having been complied with and satisfied; and
 - (c) the Company having issued and/or despatched the announcement and the circular in relation to the Acquisition and the transactions contemplated thereunder in accordance with the Listing Rules.

LETTER FROM THE BOARD

If the Conditions have not been fulfilled at or before 12:00 noon on 28 February 2022 (or such later date as all parties may agree in writing) (the “**Long Stop Date**”), the Provisional Agreement (and the Formal Agreement, if applicable) shall lapse, whereupon all rights and obligations of the parties shall cease to have effect except in respect of any accrued rights and obligations of the parties. The Purchaser and the Vendor shall enter into a cancellation agreement in such form to be agreed by the Purchaser and the Vendor to cancel the Acquisition which shall contain a provision to the effect that if the failure to fulfill any one or more of the Condition(s) is not caused by the Vendor or such failure to fulfill is related to the Listing Rules compliance of the Purchaser or the Company, the Purchaser will be responsible for all legal fee(s) for both the Vendor and Purchaser in relation to the Acquisition and estate agent’s commission in the event any one or more of the Condition(s) are not fulfilled on or before the Long Stop Date (the “**Agreement for Cancellation**”). If the Purchaser fails to enter into the Agreement for Cancellation, the Vendor shall have the right, if the Provisional Agreement had been registered at the Land Registry, to register at the Land Registry an instrument to be signed by the Vendor alone to rescind the Acquisition and to vacate registration of the Provisional Agreement; and upon registration of such an instrument, any tenants, purchaser, mortgagee or any person dealing with the Vendor shall not be bound, or be entitled, to see or enquire whether the Vendor was entitled to determine the Provisional Agreement, or to enquire into the propriety or regularity or otherwise of the steps taken by the Vendor in the determination and, so far as regards the safety and protection of any such tenants, purchaser, mortgagee or any other person, the Provisional Agreement shall be deemed to have been duly determined and the remedy of the Purchaser (if any) shall be against the Vendor in damages only.

Formal Agreement : The Purchaser and the Vendor shall enter into the Formal Agreement on or before 31 December 2021.

LETTER FROM THE BOARD

Completion : Completion shall take place on or before 15 February 2022 which shall not be later than the Long Stop Date or such other day as all parties may agree in writing. The Vendor shall deliver vacant possession of the Property to the Purchaser upon Completion.

The Purchaser shall take the Property subject to the unauthorised building works mentioned in a notice issued by the Buildings Department dated 28 May 2019 (the “UBW”), and shall at its own cost to remove or cause the removal of the UBW. The Purchaser waives its right to raise requisitions on title made pursuant to the UBW. The expected cost to remove or cause the removal of the UBW is approximately HK\$10,000 which is considered by the Directors as negligible.

If the Purchaser shall insist on any objection or requisition in respect of the title or otherwise which the Vendor shall be unable or (on the grounds of difficulty, delay or expense or other reasonable grounds) unwilling to remove or comply with, the Vendor shall notwithstanding any previous negotiation or litigation be at liberty on giving to the Purchaser or its solicitors not less than five days’ notice in writing to annul the Acquisition in which case, unless the objection or requisition shall have been in the meantime withdrawn, the Acquisition shall at the expiration of the notice be annulled, the Purchaser being in that event entitled to a return of the Deposits and other money already paid, if any, on account of the purchase money within seven days after the expiration of the said notice but without interest, costs or compensation. If the Purchaser fails to complete the Acquisition in accordance with the Provisional Agreement, the Deposits, to the extent already paid by the Purchaser pursuant to the Provisional Agreement, shall be forfeited to the Vendor and the Vendor shall not sue the Purchaser for any liabilities and/or damages caused by the Purchaser’s default of the Provisional Agreement. Notwithstanding the foregoing, if one or more of the Conditions have not been fulfilled from the date of signing the Provisional Agreement until the date of signing the Formal Agreement or the date of payment of further deposit(s) under the Provisional Agreement (in case the Formal Agreement is not signed), the Deposits and other money already paid by the Purchaser shall be returned and it shall not be regarded as Purchaser’s failure to perform. The parties shall enter into the Agreement for Cancellation as aforesaid.

III. FINANCIAL EFFECT OF THE ACQUISITION

Earnings

As disclosed in the section headed “V. Reasons for and Benefits of the Acquisition”, the Group intends to acquire the Property as it is optimistic that there will be a good potential for capital appreciation in the medium to long-run, and the Property is capable of being converted as the Group’s self-used workshop. The Property will be listed as an investment property of the Group and there will be no depreciation expenses relating to the Property. Therefore, it is expected that the effect to the earnings of the Group will be neutral.

Assets and Liabilities

Based on the audited financial position of the Group as at 31 March 2021, upon Completion, the investment property of the Group is expected to increase by approximately HK\$47.4 million and the cash and cash equivalents of the Group are expected to decrease by approximately HK\$47.4 million taking into account the Consideration of HK\$45.0 million and other estimated transaction cost such as stamp duty, commission to the Property Agent and professional fee attributable to the Acquisition.

Save as disclosed above, there will be no immediate material effect on the earnings and assets and liabilities of the Group associated with the Acquisition.

IV. INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company and its subsidiaries are principally engaged in provision of design and build services for new buildings and renovation services for built premises.

The Purchaser

The Purchaser is a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. It is a property holding company.

LETTER FROM THE BOARD

The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and is wholly owned by one Lubbermann Chu Kuei Hwa (朱貴華). The Vendor's principal business is property investment. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is an Independent Third Party.

The Property Agent

The Property Agent is a limited company incorporated in Hong Kong, and a wholly owned subsidiary of Midland IC&I Limited, a company incorporated in the Cayman Islands with limited liability, the share of which are listed on the Main Board of the Stock Exchange (Stock Code: 459). The Property Agent is principally engaged in property agency in Hong Kong.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Property Agent is an Independent Third Party.

V. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition constitutes a desirable and medium to long-term investment for the Company given the current state of the property market in Hong Kong. The Property is located San Po Kong district, one of the prime industrial areas in Hong Kong. It is also approximate to Diamond-Hill and Kai Tak MTR Stations of the MTR Shatin to Central Link.

In view of the current market value of the Property in comparison with the prevailing market value of other industrial property of similar nature in the nearby area, the current property market conditions, and the market demand for industrial properties in Hong Kong in the near future, the Directors consider that this is a good opportunity to acquire the Property and are optimistic that there will be a good potential for capital appreciation in the medium to long-run.

As such, the Directors consider that the Acquisition will constitute a good investment opportunity that will offer a reasonable and attractive rate of return for the Company.

Currently, the Property is vacant and is not subject to any lease arrangement, and shall remain to be vacant up to Completion. Upon Completion, the Company intends to retain the Property for capital appreciation and may lease out for rental income after renovation. There is no potential lease candidate being identified by the Company for the time being.

Principally engaging in provision of design and build services for new buildings and renovation services for built premises, the Acquisitions will also provide the Group's room for future expansion and development in the sense that the Property can be re-designated as the Group's self-used workshop and/or warehouse if the need arises in the future. As such, in light of the commercial viability and potential investment return of the Property, the Directors consider that the Acquisition will constitute a reasonable and effective utilisation of the capital of the Company, which will enable the Company to enhance the Company's capital gain, asset base and overall financial position. The Directors have assessed the capital requirement for its daily operations and other expenditures, and are of the view that the Acquisition will not adversely affect the operation or working capital needs of the Group in any material respect.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider that the Acquisition and the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, prior to the Acquisition, the Vendor had not leased the Property to third parties for rental income since its acquisition in 2007. Therefore, the Property was not considered as a revenue-generating asset with an identifiable income stream under Rule 14.67(6)(b) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is 25% or more but is less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting for approving the Acquisition. As the Company has obtained the Written Approval, the Company is exempted from convening a general meeting to approve the Acquisition and the transactions contemplated thereunder.

VII. FURTHER INFORMATION

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

VIII. RECOMMENDATION

As stated in the preceding paragraphs, the Directors considered that the terms of the Acquisition were entered into on normal commercial term and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Although a general meeting will not be convened by the Company to approve the Acquisition and the transactions contemplated therein, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the Acquisition and the transactions contemplated thereunder.

LETTER FROM THE BOARD

IX. WARNING NOTICE

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

Yours faithfully,
By Order of the Board
Wah Wo Holdings Group Limited
Mr. CHEN YUET WA
Chairman and Executive Director

1. FINANCIAL SUMMARY

Details of the audited financial information of the Group for each of the years ended 31 March 2019, 2020 and 2021 are disclosed in the prospectus and annual reports of the Company for the years ended 31 March 2020 and 2021, respectively, which have been published and are available on the websites of the Stock Exchange and the Company. Please refer to the hyperlinks as stated below:

- the prospectus of the Group dated 31 December 2019 (pages I-1 to I-53)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1231/2019123100069.pdf>)
- the annual report 2019/2020 of the Group for the year ended 31 March 2020 published on 24 July 2020 (pages 53 to 136)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0724/2020072400579.pdf>)
- the annual report 2020/2021 of the Group for the year ended 31 March 2021 published on 23 July 2021 (pages 52 to 136)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0723/2021072300653.pdf>)

2. STATEMENT OF INDEBTEDNESS

(1) Lease liabilities

As at 31 October 2021, the Group had lease liabilities of approximately HK\$2.2 million.

(2) Contingent Liabilities

As at 31 October 2021, the Group had guarantees given to a bank for surety bonds of approximately HK\$35.2 million to customers as security of contracts.

As at 31 October 2021, the Group had total available banking facilities of approximately HK\$99.0 million, of which approximately HK\$35.2 million was utilised and approximately HK\$63.8 million was unrestricted and unutilised.

The Directors confirmed that there was no material default or breach of any material covenants up to the Latest Practicable Date.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 October 2021, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance leases commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2021 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

4. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that, after taking into account (i) the effect of the transactions contemplated under the Acquisition, (ii) the Group's internal resources, (iii) cash flow from operations, and (iv) the available banking facilities to the Group, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular, in the absence of unforeseeable circumstances. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

As disclosed in the annual report 2020/2021 of the Group published on 23 July 2021 for the year ended 31 March 2021, the Group's revenue was approximately HK\$350.8 million, representing an increase of approximately 41.4% as compared to the year ended 31 March 2020. The Group's cost of sales, profit before tax and net profit for the year ended 31 March 2021 were approximately HK\$329.5 million, HK\$8.31 million and HK\$5.95 million respectively, while the cost of sales, profit before tax and net profit for the year ended 31 March 2020 were approximately HK\$184.6 million, HK\$35.86 million and HK\$27.7 million respectively.

The Group recorded gross profit of approximately HK\$21.4 million for the year ended 31 March 2021, as compared with the gross profit of approximately HK\$60.9 million for the year ended 31 March 2020. The Group's gross profit margin for the year ended 31 March 2021 was approximately 6.1% as compared with approximately 24.8% for the year ended 31 March 2020. Such decrease in gross profit and gross profit margin were mainly because (i) the supply chain management and production capacity across the construction material suppliers have been affected by the outbreak of the COVID-19, which resulted in a delay in suppliers' delivery of construction materials and that was beyond the control of the Group. In order to catch up with the schedule of the Group's on-going projects, the Group incurred additional costs to speed up the installation process, which caused the surge of costs in certain projects; and (ii) the increase in overall construction costs due to additional costs incurred for subcontracting works for the on-going projects as a result of unstable project schedules during the COVID-19.

The remainder of the year 2021 is expected to be challenging due to the uncertainty in the local property market and the real estate sector in Hong Kong and the economic downturn in Hong Kong which has caused a reduction in tenders. The limited tendering opportunities increased the competition in the construction industry, which affected the Group's tendering price and profit margin of new projects. The aforementioned factors have already significantly undermined the overall profitability of the Group for the financial year ended 31 March 2021. Furthermore, volatility of material cost and increase in labor cost are posing additional challenges to the Group's business operations and growth in the foreseeable future.

Nonetheless, with the Group's experienced management team and reputation in the construction industry, the Group's management believes the Group is well-equipped to deal with the forthcoming challenges and to maintain sustainable growth.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuation of the property to be acquired by the Group.



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Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
<http://www.romagroup.com>

21 December 2021

The Board of Directors
Wah Wo Holdings Group Limited
Flat A & D, 4/F, Phase 1,
Kwai Shing Industrial Building,
36–40 Tai Lin Pai Road, Kwai Chung,
New Territories, Hong Kong

Dear Sirs,

Re: Property Valuation of Workspace A and Workspace B on 2/F, Lee King Industrial Building, No.12 Ng Fong Street, Kowloon (the “Property”)

INSTRUCTIONS, PURPOSE AND VALUATION DATE

In accordance with your instructions for us to assess the market value of the captioned Property to be acquired by Wah Wo Holdings Group Limited (the “**Company**”) and/or its subsidiaries (together with the Company refer to as the “**Group**”) situated in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the Property as at 31 October 2021 (the “**Valuation Date**”) for public documentation purpose.

VALUATION STANDARDS

Our valuation has been prepared in accordance with the “RICS Valuation — Global Standards” published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the “International Valuation Standards” published by the International Valuation Standards Council (“**IVSC**”). This valuation also complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited published by the Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation was carried out on the basis of market value which is defined by IVSC and adopted by RICS as “*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 and where the parties had each acted knowledgeably, prudently and without compulsion*”.

VALUATION METHODOLOGY

We have valued the Property by the direct comparison approach, which is universally considered as the most accepted valuation approach for valuing most forms of property, by assuming sale of the subject property being appraised in its existing state with the benefit of vacant possession and by making reference to relevant market evidences. Recent market transaction evidences of properties with similar characteristics to the subject property were analyzed, and adjustments were made to reflect the differences of the features between the comparable properties and the subject property on various factors such as time, location, building quality, etc., in order to achieve a fair comparison and arrive at a fair estimation of market value.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumptions that the owner sells the Property in the open market as at the Valuation Date in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market value of the Property. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the Property. No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect the market value; and the owner of the Property has free and uninterrupted rights to occupy and use the Property during the whole of the remaining land lease term.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information obtained from public domains and provided by the Company; and have accepted advice given to us by the Company on matters such as identification of the Property, occupation particulars, floor areas, planning approvals or statutory notices, easements, tenure, building age and all other relevant matters which could affect the market value of the Property. All documents have been used for reference only. We have no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view of valuation, and have no reason to suspect that any material information has been withheld.

TITLE INVESTIGATION

We have carried out land searches at the Hong Kong Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any amendments. All legal documents disclosed in this valuation report, if any, are for reference only. We assume no liability for any existing or potential legal matters in relation to the title of the Property.

INSPECTION AND INVESTIGATIONS

We have inspected the exterior and endeavored to inspect the interior of the Property where possible. During the course of our inspection, no structural survey has been made in respect of the Property but we did not notice any serious defects. We are not able to report that the Property is free from rot, infestation or any other structural defects. No test was carried out on any of the building services. We have not inspected those portions of the Property which are unexposed, covered or inaccessible, and therefore we are not able to report on the condition of such portions of the Property but we have assumed such portions have been maintained in reasonably good condition for the purpose of valuation.

We have not carried out on-site measurement to verify the floor areas of the Property but we have assumed the information shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas reported in this valuation report are based on information contained in the documents provided to us and are therefore approximations.

We have not carried out any land investigation or environmental surveys but during our inspection we did not notice and have not been advised of any evidence of environmental concerns such as existing or potential contamination or any form of hazard, and therefore we assumed none of such exists.

REMARK

We hereby confirm that our firm, the undersigned and our valuers involved in this valuation assignment possess necessary expertise and experience to undertake this valuation assignment, and have no present or prospective interests which could conflict with our position in providing an objective and unbiased opinion of valuation.

This valuation report should be used only in its entirety and should not be used for any purposes other than the intended purpose as stated above. Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement or publish in any way without our prior written approval or consent. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this valuation.

CURRENCY

Unless otherwise stated, all monetary figures stated in this valuation report are in Hong Kong Dollar (“**HKD**”), the lawful currency of Hong Kong.

Our valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Frank F. Wong

BA (Business Admin in Acct/Econ) MSc (Real Est)
MRICS Registered Valuer MAusIMM ACIPHE

Director**Alex C.Y. Ma**

MRICS

Senior Manager

Note: Mr. Frank F. Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering with over 22 years of valuation, transaction advisory and project consultancy experience of properties in Hong Kong and 14 years of experience in valuation of properties in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, Thailand, France, Germany, Poland, United Kingdom, United States, Abu Dhabi (UAE), Ukraine and Jordan.

Mr. Alex C.Y. Ma is a Registered Valuer and member of Royal Institution of Chartered Surveyors with over 9 years of property valuation and consultancy experience in Hong Kong and the PRC as well as the United Kingdom, the United States, Australia and Singapore.

Property to be acquired by the Group for investment purpose in Hong Kong

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 October 2021
Workspace A and Workspace B on 2/F, Lee King Industrial Building, No. 12 Ng Fong Street, Kowloon	The Property comprises two workshop units, i.e., the whole of the 2/F of Lee King Industrial Building. The Property has a gross floor area of about 11,475 sq.ft. (or about 1,066 sq.m.) as per the approved building plans.	The Property was vacant as at the Valuation Date as advised by the Company and upon inspection.	HKD47,500,000 (Hong Kong Dollars Forty-Seven Million Five Hundred Thousand)
5/70th shares of and in New Kowloon Inland Lot No. 5090	<p>Lee King Industrial Building is a 17-storey industrial building with the Occupation Permit issued on 8 January 1970. The main entrance of the building is opened on the Ng Fong Street front. Vertical circulation of the building is served by two cargo lifts, two passenger lifts and three staircases. Loading area is provided on the service lane at the rear of the building.</p> <p>New Kowloon Inland Lot No. 5090 is held under Conditions of Sale No. 9187 for a lease term of 99 years commencing from 1 July 1898 and statutorily renewed until 30 June 2047. The annual Government rent payable is equivalent to an amount of 3% of the prevailing rateable value of the Property.</p>		

Notes:

1. The registered owner of the Property as at the Valuation Date is *Park Place Limited* pursuant to an Assignment dated 2 June 2007 registered in the Land Registry vide Memorial No. 07062700110027.
2. The inspection to the Property was carried out on 8 November 2021 by Mr. Alex C.Y. Ma *MRICS* with over 9 years of property valuation experience in Hong Kong.
3. The Property is situated on Ng Fong Street within San Po Kong Area, an industrial area under jurisdiction of Wong Tai Sin District. The immediate vicinity of the Property is predominated by industrial and commercial developments. The Property is situated about 450 m from the nearest Diamond Hill MTR station entrance and various franchised bus and mini-bus routes are readily available nearby, accessibility of the Property is considered to be good.

4. The Property falls within an area zoned “Other Specified Uses” under the Approved Tsz Wan Shan, Diamond Hill & San Po Kong Outline Zoning Plan No. S/K11/29 gazetted under section 9(1)(a) of Town Planning Ordinance on 16 December 2016.
5. Pursuant to a Provisional Agreement for Sale and Purchase entered between Park Place Limited (the Vendor) and Wah Yu Global Investment Limited (the Purchaser) on 15 November 2021, the Property is to be acquired by the Group with a consideration of HKD45,000,000.

As confirmed by the Company, Park Place Limited is an independent party from the Group and Wah Yu Global Investment Limited is an indirect wholly-owned subsidiary of the Company.

6. The Property is subjected to the following material encumbrances pursuant to the land search record obtained on 1 November 2021:
 - i. Letter of Modification from the Director of Public Works dated 27 February 1970 registered vide Memorial No. UB724153;
 - ii. Letter relating to Approved Sub-Division Plans dated 27 February 1970 registered vide Memorial No. UB724154; and
 - iii. Deed of Covenant with Plans dated 9 March 1970 registered vide Memorial No. UB728894.
7. Pursuant to two notice letters provided by the Company dated 28 May 2019 issued by the Buildings Department addressing the owner/occupant of the Property, certain unauthorized building works in respect of “Removal and Alteration of the compartment wall between Workspace A and Workspace B” exist in the Property.

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. SHARE CAPITAL RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the authorised share capital of the Company comprised 10,000,000,000 ordinary Shares, which is in turn in HK\$100,000,000, while the issued share capital of the Company comprises 1,000,000,000 ordinary Shares, which is in HK\$10,000,000.

As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, interests and short positions in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 to the Listing Rules are as follows:

(i) Long positions in our Shares

Name	Capacity/Nature	Number of Shares	Percentage of shareholding
Mr. Chen Yuet Wa	Interest in a controlled corporation (<i>Note</i>)	750,000,000	75%

Note: 750,000,000 Shares are registered in the name of Ornate Bright Limited (“Ornate Bright”), the entire issued capital of which is legally and beneficially owned by Mr. Chen Yuet Wa, our executive Director. By virtue of the SFO, Mr. Chen Yuet Wa is deemed to be interested in all the Shares held by Ornate Bright.

(ii) Long positions in the shares of associated corporation

Name of director	Name of associated corporation	Capacity/Nature	Number of shares held	Percentage of Interest
Mr. Chen Yuet Wa	Ornate Bright	Beneficial Owner	1	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or 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 under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange under the Model Code.

(b) Substantial shareholder's interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals (other than a Director or chief executive of the Company) who had or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO were as follows:

(i) Long positions the Shares

Name	Capacity/Nature of Interest	Number of Shares held	Percentage of interest
Mr. Chen Yuet Wa	Beneficial owner (Note 1)	750,000,000	75%
Ms. Wong Chun Siu	Interest of spouse (Note 2)	750,000,000	75%

Notes:

- Ornate Bright is wholly-owned by Mr. Chen Yuet Wa.
- Ms. Wong Chun Siu is the spouse of Mr. Chen Yuet Wa and is deemed or taken to be interested in all the Shares in which Mr. Chen Yuet Wa has, or is deemed to have, an interest for the purposes of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to section 336 of the SFO.

4. COMPETING INTEREST

The Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company or any of their respective close associates (as defined in the Listing Rules) that compete or may compete, directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules as at the Latest Practicable Date.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS, TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

On 1 August 2020, the Group entered into a new lease arrangement with Ms. Wong Chun Siu, the spouse of Mr. Chen Yuet Wa, for the use of a warehouse and office premises with fixed lease period of one year and optional lease period of five years. Upon initial recognition, in accordance with Hong Kong Financial Reporting Standard 16 Leases (“**HKFRS 16**”) issued by the Hong Kong Institute of Certified Public Accountants, the Group recognised a right-of-use asset and a lease liability of approximately HK\$7.2 million. Pursuant to the supplemental agreement signed in December 2020, the lease period was changed to fixed lease period of three years and upon its expiration, it shall be renewable for an additional three years subject to agreement of terms by both parties. The right-of-use asset and the lease liability were reduced by approximately HK\$3.6 million and HK\$3.4 million respectively.

As the highest applicable percentage ratio in respect of the new lease agreement calculated based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 0.1% but is less than 5%, the transaction contemplated under the new lease agreement are subject to the reporting and announcement requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the lease arrangement were disclosed in the announcements of connected transaction of the Company dated 10 December 2020 and supplemental announcement dated 11 January 2021.

Saved as otherwise disclosed, as at the Latest Practicable Date, no Director, directly or indirectly, had any interest in any assets which had since 31 March 2021 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Save as otherwise disclosed, no transaction, arrangement or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or any entity connected with a Director had a material interest, either directly or indirectly, subsisted as at the Latest Practicable Date.

7. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given its advice and recommendation which is contained in this circular:

Name	Qualification
Roma Appraisals Limited	Independent Property Valuer

The Independent Property Valuer has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and/or letter and/or opinion and/or summary thereof and/or reference to its name included herein (as the case may be), all of which are dated the date of this circular in the form and context in which it is respectively included.

As at the Latest Practicable Date, the Independent Property Valuer had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 March 2021 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased to any member of the Group.

As of the Latest Practicable Date, the Independent Property Valuer had no shareholding in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

9. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) a provisional sale and purchase agreement entered into by and between, amongst others, Ming Hing Manufacturing Company Limited as vendor and World Classic International Limited as purchaser dated 30 July 2021 for the purpose of acquiring the property known as 6th Floor, Sang Chong Industrial Building, Nos. 11–13 Ka Hing Road, Kwai Chung, New Territories, Hong Kong;
- (b) a provisional sale and purchase agreement entered into by and between, amongst others, Mr. Leung Man Chu as vendor and World Classic International Limited as purchaser dated 30 July 2021 for the purpose of acquiring the property known as Car Parking Space Nos. 1 and 2 on Ground Floor, and 7th Floor, Sang Chong Industrial Building, Nos. 11–13 Ka Hing Road, Kwai Chung, New Territories, Hong Kong;
- (c) a formal sale and purchase agreement entered into by and between Ming Hing Manufacturing Company Limited as vendor and World Classic International Limited as purchaser dated 10 August 2021 for the purpose of acquiring the property known as 6th Floor, Sang Chong Industrial Building, Nos. 11–13 Ka Hing Road, Kwai Chung, New Territories, Hong Kong;
- (d) a formal sale and purchase agreement entered into by and between, amongst others, Mr. Leung Man Chu as vendor and World Classic International Limited as purchaser dated 10 August 2021 for the purpose of acquiring the property known as Car Parking Space Nos. 1 and 2 on Ground Floor, and 7th Floor, Sang Chong Industrial Building, Nos. 11–13 Ka Hing Road, Kwai Chung, New Territories, Hong Kong; and
- (e) the Provisional Agreement.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wahwoalum.com>) for the period of 14 days commencing from the date of this circular:

- (a) the material contracts referred to in the section headed “9. Material contracts” in this appendix;
- (b) the valuation report prepared by Roma Appraisals Limited, the test of which is set out in Appendix II to this circular;
- (c) the written consent referred to in the paragraph headed “8. Expert and Consent” in this Appendix; and
- (d) this circular.

11. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Lee Kai Ming, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is Flat A & D, 4/F, Phase 1, Kwai Shing Industrial Building, 36–40 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.
- (d) The principal share registrar of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (e) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (f) The English text of this circular shall prevail over its Chinese text.