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智富資源投資控股集團有限公司

WISDOM WEALTH RESOURCES INVESTMENT HOLDING GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

**MAJOR TRANSACTION
IN RESPECT OF
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
MILLHAVEN HOLDINGS LIMITED**

A letter from the Board is set out on pages 4 to 11 of this circular.

Capitalised terms used on this cover page should have the same meanings as those defined in the section headed “DEFINITIONS” in this circular, unless the context requires otherwise.

The Agreement and the transactions contemplated thereunder have been approved by written shareholders’ approval obtained from Wisdom On Holdings Limited, Hong Kong Finance Investment Limited, Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Holding Limited, all of which are wholly-owned by Dr. Hui, pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is despatched to the Shareholders for information only.

24 March 2022

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the sale and purchase agreement dated 5 November 2021 (as supplemented and amended by the supplemental agreement dated 28 January 2022) entered into among the Vendor, the Purchaser and the Company in relation to the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Wisdom Wealth Resources Investment Holding Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Hui”	Dr. Hui Chi Ming, <i>G.B.S., J.P.</i> , Chairman of the Board, an executive Director and a controlling Shareholder
“Disposal”	the disposal of the Sale Shares, representing the entire issued share capital of the Disposal Company, by the Vendor to the Purchaser in accordance with the terms and conditions of the Agreement
“Disposal Company”	Millhaven Holdings Limited, a company incorporated in the BVI with limited liability
“Disposal Group”	the Disposal Company and its subsidiaries
“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

DEFINITIONS

“Latest Practicable Date”	18 March 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	the properties located at Rong Ning Yuan Community owned by the Disposal Group, including two commercial units on the first and second floor and 384 parking spaces and warehouses in Block 2, with a total gross floor area of approximately 16,360 square meters, of Rong Ning Yuan Community (榮寧園小區) at No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC
“Purchaser”	Sincere Alliance Group Limited (誠盟集團有限公司), a company incorporated in the BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	1,000 ordinary shares of US\$1 each in the issued share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of United States of America

DEFINITIONS

“Vendor”	Hong Kong Finance Property Group Limited (香港金控地產集團有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the exchange rate of RMB1.0 to HK\$1.2. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

LETTER FROM THE BOARD



智富資源投資控股集團有限公司

WISDOM WEALTH RESOURCES INVESTMENT HOLDING GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

Honorary Chairman and Senior Consultant:

Dr. Yukio Hatoyama

Executive Directors:

Dr. Hui Chi Ming *G.B.S., J.P.*

Mr. Neil Bush

Dr. Cao Yu

Mr. Xu Jun Jia

Mr. Lam Kwok Hing *M.H., J.P.*

Mr. Nam Kwok Lun

Mr. Hui Ngok Lun

Independent Non-executive Directors:

Mr. Ngan Kam Biu Stanford

Mr. Tam Chak Chi

Mr. Ma Kin Ling

Registered office:

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Bermuda

*Head office and principal place
of business in Hong Kong:*

Units 1910-12, 19th Floor

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Sheung Wan, Hong Kong

24 March 2022

To the Shareholders,

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RESPECT OF
THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
MILLHAVEN HOLDINGS LIMITED**

INTRODUCTION

On 5 November 2021, the Vendor, being a wholly-owned subsidiary of the Company, the Purchaser, being an independent third party, and the Company entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Disposal Company, for a consideration of HK\$338.0 million, which will be satisfied wholly in cash.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, *inter alia*, (i) further details of the Agreement and the transactions contemplated thereunder; and (ii) other information as required under the Listing Rules.

THE AGREEMENT

Date

5 November 2021

Parties to the Agreement

Vendor: Hong Kong Finance Property Group Limited (香港金控地產集團有限公司), an investment holding company incorporated in the BVI with limited liability and was a wholly-owned subsidiary of the Company as at the Latest Practicable Date.

Purchaser: Sincere Alliance Group Limited (誠盟集團有限公司), an investment holding company incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and Liu Jingwen, the ultimate beneficial owner of the Purchaser, are third parties independent of the Company and the connected persons of the Company.

Issuer: the Company

Assets to be disposed of

The assets to be disposed of under the Agreement are the Sale Shares, being 1,000 ordinary shares of US\$1 each in the issued share capital of the Disposal Company, representing the entire issued share capital of the Disposal Company.

Consideration

The consideration for the Disposal is HK\$338.0 million, which shall be satisfied wholly in cash as to (i) HK\$8.0 million as a non-refundable deposit to be paid on the date of the Agreement; and (ii) HK\$330.0 million to be paid upon completion of the Disposal.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the deposit has already been received by the Group. The consideration of the Disposal was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the adjusted consolidated net asset value of the Disposal Group as at 30 June 2021 of approximately HK\$368.5 million (calculated based on the unaudited consolidated net asset value of the Disposal Group as at 30 June 2021 of approximately HK\$409.0 million and adjusted by the market value of the Properties appraised by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, of RMB290.0 million (equivalent to approximately HK\$348.0 million) as at 30 September 2021 using market approach). Based on the valuation conducted by Masterpiece Valuation Advisory Limited, an independent valuer, the report of which is set out in Appendix II to this circular, the market value of the Properties was RMB289.27 million (equivalent to approximately HK\$347.1 million) as at 31 December 2021 based on market approach.

The consideration of HK\$338.0 million represents a discount of approximately 8.3% to the adjusted consolidated net asset value of the Disposal Group as at 30 June 2021 (adjusted by the market value of the Properties as at 30 September 2021) and this was the best price agreeable with the Purchaser after several rounds of negotiations. The Company tried to seek for other buyers who were willing to offer a higher price but no such buyers were identified at the relevant time. In light of the heightened market concerns about the worsening debt problems in the PRC property market triggered by the China Evergrande crisis and the general downward trend in property market after the outbreak of the COVID-19 pandemic, the Directors consider that it may not be easy for property companies to obtain domestic bank financing in the PRC and the property price might go further down afterwards. Therefore, it will be in the interest of the Company to realize the Properties even at a discount so that the Group can get an immediate cashflow to repay its outstanding loans and further develop its other businesses. The Directors are of the view that the consideration for the Disposal is fair and reasonable having considered the prevailing market sentiment of the property market in the PRC.

Conditions precedent

Completion of the Disposal is conditional upon, *inter alia*:

- (i) the Board having approved the Agreement and transactions contemplated thereunder;
- (ii) the respective board of directors of the Vendor and the Purchaser having approved the Agreement and transactions contemplated thereunder;
- (iii) the Shareholders having approved the Agreement and transactions contemplated thereunder in compliance with the Listing Rules;
- (iv) the relevant governmental and regulatory authorities having granted all the necessary approvals, consents, authorizations and licences in relation to the transactions contemplated under the Agreement; and

LETTER FROM THE BOARD

- (v) the Purchaser being satisfied with the results of the due diligence on the Disposal Group.

Conditions (i), (ii), (iii) and (iv) are not waivable. Completion of the Disposal shall take place on the date on which all the conditions precedent of the Disposal having been satisfied or waived. As at the Latest Practicable Date, conditions (i), (ii) and (iii) have been fulfilled. If the conditions shall not have been fulfilled by 5 May 2022 or such later date as the parties to the Agreement may agree in writing, the Agreement shall be terminated and of no effect.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is an investment holding company incorporated in the BVI with limited liability in 2016. The Disposal Company was wholly-owned by the Vendor as at the Latest Practicable Date.

The corporate structure of the Disposal Group as at the Latest Practicable Date is set out as follows:



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As at the Latest Practicable Date, the Disposal Company held the entire issued share capital of Gold Shiner Holdings Limited (金耀集團有限公司), an investment holding company incorporated in Hong Kong with limited liability in 2015, which in turn held 100% equity interest in 廣東德凱偉業有限公司 (Guangdong Dekai Weiye Company Limited*), an investment holding company established under the laws of the PRC in 2016. Guangdong Dekai Weiye Company Limited held 100% equity interest in 北京盈和房地產綜合開發有限公司 (Beijing Yinghe Real Estate Development Company Limited*), a company established under the laws of the PRC in 1997 and owned the Properties as at the Latest Practicable Date.

The Properties comprise two commercial units on the first and second floor and 384 parking spaces and warehouses in Block 2, with a total gross floor area of approximately 16,360 square meters, of Rong Ning Yuan Community (榮寧園小區) at No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC.

Save for the Properties, the Disposal Group does not own any other material assets.

The unaudited consolidated financial information of the Disposal Group, which have been prepared in accordance with the accounting principles generally accepted in Hong Kong, is summarized as follows:

	For the year ended 31 December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before taxation and extraordinary items	5,288	4,920
Net loss after taxation and extraordinary items	<u>(108,824)</u>	<u>(28,434)</u>

The Disposal Group recorded a net profit before taxation and extraordinary items for each of the years ended 31 December 2019 and 2020. However, after taking into account the recognition of loss in fair value change on the Properties in the amount of approximately HK\$44.5 million and HK\$150.5 million for the years ended 31 December 2019 and 2020 respectively, a net loss after taxation and extraordinary items was recorded for each of the years ended 31 December 2019 and 2020. As at 30 June 2021, the Disposal Group had an unaudited consolidated net asset value of approximately HK\$409.0 million.

REASONS FOR THE DISPOSAL

The Company is an investment holding company and the principal activities of the Group include trading of electronic products and natural resources, petrochemical production, oil and gas exploration and production, mineral mining, the provision of financial services and property development and investment.

LETTER FROM THE BOARD

As disclosed in the annual report of the Company for the year ended 31 December 2020 and the interim report of the Company for the six months ended 30 June 2021, the property development and investment segment of the Group mainly focused on two property projects, namely the Zhanjiang project and the Properties. The Zhanjiang project comprises five land parcels located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhanjiang City, Guangdong Province, the PRC with total site area and total planned gross floor area of approximately 266,000 square meters and 1.3 million square meters respectively and it is in the development stage. The Properties mainly comprise investment properties located in Xicheng District, Beijing and they have been generating rental income to the Group. The revenue derived from the Properties accounted for approximately 1.7% and 0.6% of the total revenue of the Group for the years ended 31 December 2019 and 2020 respectively.

Given that (i) the rental income generated from the Properties only accounted for a small portion of the Group's revenue; (ii) the Disposal Group recorded a net loss after taxation and extraordinary items in the past two years; (iii) the Group had funding needs for the repayment of outstanding loans and future business development of the Group; and (iv) the Group has a present intention to focus its resources on the development of the Zhanjiang project and other business segments of the Group, in particular the sand mining business in Papua New Guinea where the Group has been granted an exclusive operating right for constructing and operating a port terminal and conducting sand mining and export business in the Kikori Delta in the Gulf of Papua with a total area of 23,300 square kilometers and the Group has established a comprehensive strategic cooperation with China Harbour Engineering Company Limited (中國港灣工程有限責任公司) for carrying out sand mining operation and the planning, construction and operation of fairway and terminal facilities, the Board considers that the Disposal can prevent the Group from incurring further loss from the Properties and provide an immediate cashflow to the Group for repayment of borrowings and general working capital to support the future development of the Group.

In view of the above, the Directors are of the opinion that the Agreement is on normal commercial terms and the terms of which are fair and reasonable, and the entering into of the Agreement is in the interests of the Company and Shareholders as a whole.

USE OF PROCEEDS

The net proceeds of the Disposal (after payment of professional fees and other related expenses) are estimated to be of approximately HK\$337.5 million. The Company intends to apply the net proceeds from the Disposal as to approximately HK\$250.0 million for repayment of outstanding loans and the remaining balance of approximately HK\$87.5 million for general working capital of the Group to cover the Group's daily operating and administrative expenses and repayment of accounts and bills payables for the year ending 31 December 2022.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Agreement, the Group shall not have any equity interest in the Disposal Company and the Disposal Company shall cease to be a subsidiary of the Company since then.

It is estimated that a loss on disposal of approximately HK\$29.7 million will be recorded by the Group, which is calculated based on the difference between the consideration for the Disposal of approximately HK\$338.0 million and the adjusted unaudited consolidated net asset value of the Disposal Company as at 30 June 2021 of approximately HK\$367.7 million (calculated based on the unaudited consolidated net asset value of the Disposal Group as at 30 June 2021 of approximately HK\$409.0 million and adjusted by the market value of the Properties appraised by an independent valuer of RMB289.27 million (equivalent to approximately HK\$347.2 million) as at 31 December 2021). The actual gain or loss as a result of the Disposal to be recorded by the Group may be different from the abovementioned estimated loss as it depends on the consolidated net book value of the Disposal Company as at the date of completion of the Agreement and is subject to any accounting adjustment and audit by the auditors of the Company.

Having taken into account the net proceeds from the Disposal of approximately HK\$337.5 million and the adjusted unaudited consolidated net asset value of the Disposal Company as at 30 June 2021 of approximately HK\$367.7 million, it is estimated that upon completion of the Disposal, the total assets of the Group will decrease by approximately HK\$20.2 million while the total liabilities of the Group will increase by approximately HK\$9.9 million. It is estimated that the net assets of the Group will decrease by approximately HK\$30.2 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Agreement and the transactions contemplated thereunder on the conditions that (i) no Shareholders are required to abstain from voting if a general meeting of the Company is held to approve the Agreement and the transactions contemplated thereunder; and (ii) an approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders or any of their associates have any material interest in the Agreement and the transactions contemplated thereunder and thus none of the Shareholders are required to abstain from voting if the Company were to convene a general meeting for the approval of the Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, (i) Wisdom On Holdings Limited held 954,000 Shares; (ii) Hong Kong Finance Investment Limited held 277,926,000 Shares; (iii) Hong Kong Finance Equity Management Limited held 407,187,143 Shares; (iv) Hong Kong Finance Equity Holding Limited held 622,671,115 Shares; and (v) Hong Kong Finance Equity Investment Limited held 841,780,284 Shares. All of the aforementioned companies are wholly-owned by Dr. Hui. Dr. Hui and his associates, who together held an aggregate of 2,150,518,542 Shares, representing approximately 53.76% of the issued share capital of the Company as at the Latest Practicable Date, have given a written approval for the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules and such written approval is accepted in lieu of holding a general meeting. As a result, no special general meeting will be convened for the Company for the purpose of approving the Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Agreement and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the resolution to approve the Agreement and the transactions contemplated thereunder if it had been necessary to hold a general meeting for such purpose.

ADDITIONAL INFORMATION

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

Yours faithfully,

For and on behalf of the Board

Wisdom Wealth Resources Investment Holding Group Limited

Dr. Hui Chi Ming, *G.B.S., J.P.*

Chairman

1. INDEBTEDNESS STATEMENT

As at 31 January 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had total indebtedness amounting to HK\$676,745,190.

Borrowings

As at 31 January 2022, the Group had a secured and guaranteed borrowing with an outstanding amount of HK\$258,649,922, which was secured by the equity interests and receivables of subsidiaries and guaranteed by a subsidiary and a Director. The borrowing was interest bearing at a fixed rate of 7% per annum for the first year and 8% per annum for the period after 1 year. The effective interest rate of the borrowing was 8.8% per annum and the default rate on overdue balance was 15% per annum. The borrowing had matured in 2020 and was repayable on demand.

As at 31 January 2022, the Group had guaranteed borrowings with a total outstanding amount of HK\$22,319,863, which were guaranteed by a Director. The borrowings were interest bearing at a fixed rate of 15% per annum. The borrowings had matured in 2021 and were repayable on demand.

As at 31 January 2022, the Group had unsecured and unguaranteed borrowings of HK\$81,090,160 (equivalent to RMB67,423,430) from three independent third parties, of which balances of HK\$51,022,659 (equivalent to RMB42,423,430) were interest bearing at fixed rates ranged from 6%-12% per annum and the remaining balances of HK\$30,067,501 (equivalent to RMB25,000,000) were interest free. The borrowings of HK\$57,805,192 (equivalent to RMB48,062,852) had matured in 2021 and were repayable on demand. The remaining balance of HK\$23,284,968 (equivalent to RMB19,360,578) was repayable within one year from 31 January 2022.

As at 31 January 2022, the Group had another unsecured and unguaranteed borrowing of HK\$27,000,000 from a company, which is an indirect wholly-owned subsidiary of a company in which a Director has a controlling interest and is a director and another Director is also a director, which was interest bearing at the rate announced from time to time by the Hongkong and Shanghai Banking Corporation Limited as its prime rate for lending Hong Kong Dollars (the “Prime Rate”) and repayable within one year from 31 January 2022.

As at 31 January 2022, the Group had an unsecured and unguaranteed advance of HK\$67,348,000 from a Director, which was interest bearing at the Prime Rate and repayable after one year from 31 January 2022.

Further, as at 31 January 2022, the Group had an outstanding unsecured, unguaranteed and interest-free advance of HK\$181,331,652 from a Director, which was repayable after one year from 31 January 2022.

Convertible bonds

As at 31 January 2022, the Group issued convertible bonds in a total of HK\$20,000,000 at a conversion price of HK\$0.98, which were interest bearing at 2% per annum and expire in 2023.

Corporate bonds

As at 31 January 2022, the Group had outstanding corporate bonds of HK\$17,615,992, which were interest bearing at effective rates ranged from 7.03% to 11.57% per annum. HK\$13,985,651 of the corporate bonds mature in one year and the remaining HK\$3,630,341 matures over one year but within three years from 31 January 2022.

Pledged assets

As at 31 January 2022, the Group had pledged the equity interests and receivables of subsidiaries to secure secured borrowings of the Group.

Lease liabilities

As at 31 January 2022, the Group had outstanding lease liabilities amounting to HK\$1,163,848, which were secured by rental deposits paid by the Group.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding, or authorised or otherwise created but unissued, loans or any term loans (secured, unsecured, guaranteed or otherwise), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments (guaranteed, unguaranteed, secured or otherwise), mortgages, charges, other material contingent liabilities or guarantees, as at 31 January 2022.

2. WORKING CAPITAL

The Directors, after due and careful considerations, are of the opinion that after taking into account the effects of the Disposal, the present internal financial resources available to the Group and the estimated net proceeds from the Disposal and the proposed rights issue, the working capital available to the Group is sufficient for its requirements for at least 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company is an investment holding company and the principal activities of the Group are (i) trading of electronic products and equipment; (ii) mineral mining and oil and gas exploration and production; (iii) provision of financial services; and (iv) property development and investment.

As disclosed in the interim report of the Company, the revenue of the Group for the six months ended 30 June 2021 amounted to approximately HK\$209.3 million, representing a decrease of approximately 45.9% as compared to the prior corresponding period. The decrease was mainly attributable to the decrease in revenue derived from the sales of electronic products. However, due to the increase in sales of products with higher profit margin under the trading business, the gross profit of the Group increased by approximately 194.9% to approximately HK\$31.8 million for the six months ended 30 June 2021. Taking into account the increase in fair value change on investment properties for the six months ended 30 June 2021, which amounted to approximately HK\$186.0 million, the profit before taxation of the Group increased by approximately 316.2% from approximately HK\$65.5 million for the six months ended 30 June 2020 to approximately HK\$272.6 million for the six months ended 30 June 2021. The profit of the Group for the six months ended 30 June 2021 attributable to the Shareholders amounted to approximately HK\$201.6 million as compared to approximately HK\$42.5 million for the six months ended 30 June 2020. Set out below are the operation overview of each business segment of the Group.

Trading business

The trading business of the Group is mainly operated by Shenzhen Qianhai Jiameijing Industrial Company Limited (深圳市前海嘉美靜實業有限公司), a company owned as to 60% by the Group and whose principal business is trading, importing and exporting of electronic products and medical devices. For the six months ended 30 June 2021, the revenue from the trading business amounted to approximately HK\$189.9 million, representing a reduction of approximately 49.5% as compared to the last corresponding period. However, the performance of the trading business turned around from a loss of approximately HK\$0.2 million for the six months ended 30 June 2020 to a profit of approximately HK\$14.2 million for the six months ended 30 June 2021.

Mineral mining and oil and gas business

The Group owns 100% of the exploration, exploitation and operation rights as well as the profit sharing right of Madagascar Oilfield Block 2101 which is an onshore site with a total area of 10,400 square kilometers in the northern part of the Republic of Madagascar. Pursuant to the exploration, exploitation and oil and gas production sharing contract and depending on the rate of liquid petroleum production of Madagascar Oilfield Block 2101, the Group shares the remaining petroleum profit after government royalty and recovery of petroleum costs according to the sharing ratios in the range of 40% to 72.5%.

Further, the Group has been granted an exclusive operating right for constructing and operating a port terminal and conducting sand mining and export business in the Kikori Delta in the Gulf of Papua with a total area of 23,300 square kilometers. The Group has established a comprehensive strategic cooperation with China Harbour Engineering Company Limited (中國港灣工程有限責任公司) for carrying out sand mining operation and the planning, construction and operation of fairway and terminal facilities in the Kikori Delta.

No revenues were generated from the mineral mining and oil and gas business for the six months ended 30 June 2021.

Financial services business

The financial services business segment of the Group generated revenue from securities, futures and options brokerage business, underwriting commission, advisory fee from financial management business and interest income from securities margin loan portfolio. For the six months ended 30 June 2021, the revenue from financial services business amounted to approximately HK\$14.4 million, representing an increase of approximately 41.2% as compared to the prior corresponding period. This business segment managed to register a profit of approximately HK\$5.3 million for the six months ended 30 June 2021 as compared to a profit of approximately HK\$0.3 million for the six months ended 30 June 2020. As disclosed in the interim report of the Company for the six months ended 30 June 2021, despite the Covid-19 pandemic, the equity market in Hong Kong attracted tremendous interest and active trading on the new economy stocks and the investment sentiment was further enhanced by the listing of the Chinese giant companies in the first half of 2021. The Group's financial business benefited from the activities in the equity market in Hong Kong and thus this segment of the Group recorded a growth in both revenue and profit for the six months ended 30 June 2021 as compared with the six months ended 30 June 2020. However, both market indices and turnover fell sharply subsequently and were hard hit by the more stringent regulatory controls of giant companies in China and the intensified Sino-American tensions. The Company expects that investors in the stock market will remain cautious pending clarification of the new regulatory directions in China and the possible return of the listing of Chinese companies from the United States of America to Hong Kong.

Property development and investment

The Group owns the land use rights of five land parcels located in Donghai Dao, Zhanjiang Economic and Technological Development Zone, Zhangjiang City, Guangdong Province, the PRC with total site area and total planned gross floor area of approximately 266,000 sq.m. and 1.3 million sq.m. respectively. The lands are divided into two portions. The non-commercial portion is held for sale while the commercial portion (including the car parking spaces) is held for investment purpose. The development of the Zhanjiang Smart City property project has commenced and the foundations of the two areas have been completed. The Group plans to achieve the first phase of sales within this year.

The Group also owns the Properties with a total area of approximately 16,300 sq.m. at the Rong Ning Yuan Community of No. 60 Guang An Men Nan Jie, Xicheng District, Beijing, the PRC.

Prospects

The Group intends to focus its resources on the property development project in Zhanjiang City and other business segments of the Group, in particular the sand mining business in Papua New Guinea. In addition, in October 2021, the Group started a new business of trading of smart phones and accessories in Hong Kong and export trading to the Middle East. The Company expects that the new business would boost both revenue and profit of the Group in the years to come.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its valuation of the Properties as at 31 December 2021.



Suite 403, 93-103 Wing Lok Street,
Sheung Wan, Hong Kong

WEB: www.mpval.com

24 March 2022

The Board of Directors

Wisdom Wealth Resources Investment Holding Group Limited

Unit 10-12, 19/F, China Merchants Tower, Shun Tak Centre,
168-200 Connaught Road Central, Sheung Wan, Hong Kong.

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Wisdom Wealth Resources Investment Holding Group Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for us to carry out the valuation of the property interests located in No. 60, Guanganmen South Street, Xicheng District, Beijing, the People’s Republic of China (the “PRC”) held by the Group. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the property interests as at 31 December 2021 (the “Valuation Date”).

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuation is carried out on a Market Value basis, which is defined 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 ASSUMPTIONS

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the property in the PRC, we have assumed that transferable land use rights in respect of the property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group regarding the title to the property. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the property.

In valuing the property in the PRC, we have assumed that the grantees or the users of the property have free and uninterrupted rights to use or to assign the property for the whole of the unexpired term as granted.

Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the properties are in compliance with the local planning regulations and requirements and had been duly examined and approved by the relevant authorities.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “continued uses”).

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests in the PRC. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the legal opinion given by the Company’s PRC legal adviser – Hai Run Law Firm, concerning the validity of title of the property interests in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 16 February 2022 by Ken Feng (Director) and Vincent Zhang (Valuer). However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

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.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuations are summarized below, and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
Masterpiece Valuation Advisory Limited
Sr Oswald W Y Au
MHKIS(GP) AAPI MSc(RE)
Registered Professional Surveyor (GP)
Managing Director

Note: Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.

VALUATION CERTIFICATE

Property interests held for investment by the Group

Property	Description and tenure	Particulars of occupancy	Market value
			in existing state as at 30 December 2021 RMB
Various commercial units and car parking spaces located at No.60, Guanganmen South Street, Xicheng District, Beijing City, the PRC	<p>The property comprises various commercial units on the 1st and 2nd floor and 384 car parking spaces of a mixed-use building completed in about 2001.</p> <p>The property has a total gross floor area of approximately 16,360.03 sq.m.. Please see notes no. iv for area details.</p> <p>The property is located nearby the Xicheng Experimental Primary School, with approximately 1km to Caihuying Station and 2km to Beijing South Railway Station.</p> <p>The land use rights of the property have been granted for a term expiring on 5 February 2071 and 24 May 2070 for residential use, 5 February 2041 for public facilities use and 24 May 2040 for commercial, underground car parking and warehouse use.</p>	<p>As at the date of valuation, portion of the property with a total gross floor area of approximately 15,036.42 sq.m. was leased to Wealthy Farm Holdings Limited. For details, please refer to notes no. v.</p> <p>The remaining portion of the property is vacant.</p>	289,270,000

Notes:

- i. Pursuant to the State-owned Land Use Rights Certificate – Jing Xi Guo Yong (2014 Chu) Di No. 00035 dated 15 April 2014 with a total site area of approximately 7,040.63 sq.m. has been granted to the Beijing Yinghe Real Estate Development Co., Ltd. (北京盈和房地產綜合開發有限公司) for a term expiring on 5 February 2071 for residential use and 5 February 2041 for public facilities use.
- ii. Pursuant to the Building Ownership Certificate – X Jing Fang Quan Zheng Xuan Zi Di No. 015736 dated 21 April 2009, the property with a total gross floor area of approximately 10,482.54 sq.m. for residential and underground car parking use was vested to the Beijing Yinghe Real Estate Development Co., Ltd.
- iii. Pursuant to the Real Estate Ownership Certificate – Jing (2016) Xi Cheng Qu Bu Dong Chan Quan Di No. 0023267 dated 17 May 2016, the property with a total gross floor area of approximately 8,195.45 sq.m. for residential, commercial, car parking and warehouse use was vested to the Beijing Yinghe Real Estate Development Co., Ltd and expiring on 24 May 2040 for commercial, underground car parking and warehouse use and 24 May 2070 for residential use.

- iv. In accordance with the instruction from the Group, our valuation has performed to the property with a total gross floor area of approximately 16,360.03 sq.m. According to the information provided to us, the floor area details of the property are as follows:

Building Use	Floors	Gross Floor Area (sq.m.)
Commercial	1F	384.37
Commercial	2F	939.24
Car Parking Space and Warehouse	B1-B2	6,460.22
Car Parking Space and Warehouse	B1-B2	<u>8,576.20</u>
Total		<u><u>16,360.03</u></u>

- v. Pursuant to the tenancy agreement entered into between Beijing Yinghe Real Estate Development Co., Ltd. and Wealthy Farm Holdings Limited, the property with the gross floor area of approximately 15,036.42 sq.m. has been leased to Wealthy Farm Holdings Limited for a term of 2 years commencing from 1 October 2020 and expiring on 30 September 2022 with a monthly rent of approximately RMB1,250,000.
- vi. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- a. The State-Owned Land Use Rights Certificate, Building Ownership Certificate and Real Estate Ownership Certificate are legally obtained by the Group and valid; and
 - b. The property was not pledged.
- vii. In our valuation, we have referred to some transaction/asking price references of comparable in the subject and nearby properties. We have adopted the range of unit rates between RMB 80,000 to RMB 100,000 per sq.m. for commercial use and RMB 540,000 to RMB 600,000 each for car parking space. The unit rates assumed by us are consistent with the said price reference. Due adjustments to the unit rates of those price reference have been considered to reflect factors including but not limited to time, location, and size in arriving at the key assumptions.
- viii. A summary of major certificates/licenses is shown as follows:
- a. State-owned Land Use Right Certificate Yes
 - b. Building Ownership Certificate Yes
 - c. Real Estate Ownership Certificate Yes

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. INTERESTS OF DIRECTORS

(a) Interest in the shares, underlying shares and debentures of the Company and its associated companies

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of issued share capital of the Company
Dr. Hui ^(Note)	Interest of controlled corporations	2,150,518,542	53.76%

Note: These Shares included (i) 954,000 Shares held by Wisdom On Holdings Ltd.; (ii) 277,926,000 Shares held by Hong Kong Finance Investment Limited; (iii) 407,187,143 Shares held by Hong Kong Finance Equity Management Limited; (iv) 622,671,115 Shares held by Hong Kong Finance Equity Holding Limited; and (v) 841,780,284 Shares held by Hong Kong Finance Equity Investment Limited. The issued share capital of Hong Kong Finance Investment Limited are directly wholly-owned by Dr. Hui. The issued share capital of Wisdom On Holdings Ltd., Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Holding Limited are indirectly wholly-owned by Dr. Hui.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

(b) Interests in assets

On 1 April 2021, the Group renewed the tenancy agreement with Gahood Holding Company Limited, a company wholly-owned by Dr. Hui, for the lease of the office space located at Unit 9 (portion) and Units 10-12, 19th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong for a term of one year commencing from 1 April 2021 and expiring on 31 March 2022 at a monthly rent of HK\$210,000.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which has been, since 31 December 2020, 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 was proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Interests in contracts

The Group received commission income and other securities dealing income from securities and futures dealings for the year ended 31 December 2020 and the six months ended 30 June 2021 of approximately HK\$49,000 and HK\$39,000, respectively, from Mr. Nam Kwok Lun, a Director.

The Group also received commission income and other income from securities dealings for the year ended 31 December 2020 and the six months ended 30 June 2021 of approximately HK\$17,000 and HK\$18,000, respectively, from Asia Tele-Net and Technology Corporation Limited (“ATNT”), in which Mr. Lam Kwok Hing, a Director, has a controlling interest. Mr. Lam Kwok Hing and Mr. Nam Kwok Lun, both being Directors, are also directors of ATNT.

Certain Directors also had a material interest in the following contract or arrangement relating to the Group:

- (i) an unsecured and unguaranteed revolving loan facility from PAL Finance Limited, which was interest bearing at the rate announced from time to time by the Hongkong and Shanghai Banking Corporation Limited as its prime rate for lending Hong Kong Dollars (the “Prime Rate”), with a maturity date of 20 October 2022. PAL Finance Limited is an indirect wholly-owned subsidiary of ATNT;
- (ii) Mr. Nam Kwok Lun advanced an unsecured and unguaranteed loan to the Group, which was interest bearing at the Prime Rate and repayable after one year from 31 January 2022;
- (iii) Dr. Hui advanced an unsecured and unguaranteed loan to the Group, on an interest free basis and repayable after one year from 31 January 2022;
- (iv) a secured and guaranteed borrowing of the Group, with an effective interest rate of borrowing of 8.8% per annum and a default rate on overdue balance of 15% per annum, was guaranteed by, amongst others, Dr. Hui; and
- (v) guaranteed borrowings of the Group which were interest bearing at a fixed rate of 15% per annum were guaranteed by Dr. Hui.

For further information on the above loans and guarantees, please refer to the section headed “Borrowings” in Appendix I – “1. Indebtedness Statement”.

Save as disclosed above, as at the Latest Practicable Date, there were no contracts or arrangements subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

(d) Interests in competing business

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors and their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(e) Directors’ service contracts

Each of the executive Directors has entered into a service contract with the Company for a three-year term which is not determinable within one year without payment of compensation. These service contracts shall continue after such three-year term unless and until terminated by either party with not less than three months’ prior written notice.

Save as disclosed above, as at the Latest Practicable Date, there were no existing or proposed service contracts between the Directors and any member of the Company which are not expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the persons (other than the Directors and chief executives of the Company) who had an interest or short position 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 who were, directly or indirectly, interested in 10% or more of the issued voting shares of any member of the Group were as follows:

Long position in the Shares

Name	Capacity	Number of Shares held	Approximate percentage of issued share capital of the Company
Hong Kong Finance Equity Investment Limited <i>(Notes 1, 3)</i>	Beneficial owner Interest of controlled corporations	841,780,284 408,141,143	21.04% 10.20%
Hong Kong Finance Equity Holding Limited <i>(Notes 1, 2, 3)</i>	Beneficial owner Interest of controlled corporations	622,671,115 1,249,921,427	15.56% 31.24%
Hong Kong Finance Equity Management Limited <i>(Note 3)</i>	Beneficial owner	407,187,143	10.18%
Hong Kong Finance Investment Limited <i>(Note 4)</i>	Beneficial owner	277,926,000	6.95%
Hong Kong Finance Holdings Group Limited <i>(Notes 1, 2, 3, 5)</i>	Interest of controlled corporations	1,872,592,542	46.81%
Chen Mailin	Beneficial owner	201,212,000	5.03%
Li Xiaohua	Beneficial owner	200,000,000	5.00%

Notes:

1. Hong Kong Finance Equity Investment Limited was directly wholly-owned by Hong Kong Finance Equity Holding Limited, which in turn was directly wholly-owned by Hong Kong Finance Holdings Group Limited, a company directly wholly-owned by Dr. Hui, as at the Latest Practicable Date. Under the SFO, each of Hong Kong Finance Equity Holding Limited and Hong Kong Finance Holdings Group Limited are deemed to be interested in the Shares held by Hong Kong Finance Equity Investment Limited. Dr. Hui, being a Director, was also a director of Hong Kong Finance Equity Investment Limited as at the Latest Practicable Date.
2. Hong Kong Finance Equity Holding Limited was directly wholly-owned by Hong Kong Finance Holdings Group Limited, a company directly wholly-owned by Dr. Hui, as at the Latest Practicable Date. Under the SFO, Hong Kong Finance Holdings Group Limited is deemed to be interested in the Shares held by Hong Kong Finance Equity Holding Limited.
3. Hong Kong Finance Equity Management Limited was directly wholly-owned by Hong Kong Finance Equity Investment Limited, which in turn was directly wholly-owned by Hong Kong Finance Equity Holding Limited, which was directly wholly-owned by Hong Kong Finance Holdings Group Limited, a company directly wholly-owned by Dr. Hui, as at the Latest Practicable Date. Under the SFO, each of Hong Kong Finance Equity Investment Limited, Hong Kong Finance Equity Holding Limited and Hong Kong Finance Holdings Group Limited are deemed to be interested in the Shares held by Hong Kong Finance Equity Management Limited. Dr. Hui, being a Director, was also a director of Hong Kong Finance Equity Management Limited as at the Latest Practicable Date.
4. Hong Kong Finance Investment Limited was a company directly wholly-owned by Dr. Hui, as at the Latest Practicable Date. Dr. Hui, being a Director, was also a director of Hong Kong Finance Investment Limited as at the Latest Practicable Date.
5. Hong Kong Finance Holdings Group Limited directly owns all the issued shares of Hong Kong Finance Equity Holding Limited and indirectly owns all the issued shares of Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Management Limited as at the Latest Practicable Date. Under the SFO, Hong Kong Finance Holdings Group Limited is deemed to be interested in the Shares held by each of Hong Kong Finance Equity Holding Limited, Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Management Limited. Dr. Hui, being a Director, was also a director of Hong Kong Finance Holdings Group Limited as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executives of the Company were not aware of any person (other than the Directors and chief executives of the Company) who had an interest or short position 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, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. LITIGATION

As at the Latest Practicable Date, there were no litigations or claims of material importance, as known to the Directors, pending or threatened against any member of the Group.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) a sale and purchase agreement dated 6 April 2020 entered into among Hong Kong Finance International Investment Group Limited, a wholly-owned subsidiary of the Company, the Company and Foison Shine Group Limited, a company beneficially wholly-owned by Dr. Hui, in relation to the acquisition of the entire issued share capital of Madagascar Investment Holding Limited for a consideration of RMB1.18 billion (the “Madagascar Acquisition”);
- (b) a termination agreement dated 16 April 2020 entered into between the parties to the sale and purchase agreement dated 6 April 2020 regarding the Madagascar Acquisition for terminating the sale and purchase agreement;
- (c) a sale and purchase agreement dated 9 October 2020 entered into among Hong Kong Finance Property Group Limited, a wholly-owned subsidiary of the Company, the Company and Epic Union Holdings Limited, an independent third party, in relation to the disposal of the entire issued share capital of New Guangdong Merchants Investment Holding Group Limited for a consideration of RMB5 billion (the “New Guangdong Disposal”);
- (d) a termination agreement dated 4 December 2020 entered into between the parties to the sale and purchase agreement dated 9 October 2020 regarding the New Guangdong Disposal for terminating the sale and purchase agreement;
- (e) a subscription agreement dated 4 June 2021 entered into between the Company and Lucky Alliance Enterprises Limited, an independent third party, in relation to the subscription of the Convertible Bonds (the “CB Subscription”);
- (f) a supplemental agreement dated 30 June 2021 entered into among the parties to the subscription agreement dated 4 June 2021 regarding the CB Subscription for extending the long stop date for fulfillment of the conditions of the subscription agreement;
- (g) the Agreement;

- (h) a subscription agreement dated 19 November 2021 entered into between the Company and Mr. Sze Man Chan, an independent third party, in relation to the subscription of 200,000,000 Shares at a subscription price of HK\$0.127 per subscription share (the “Share Subscription”);
- (i) a termination agreement dated 22 December 2021 entered into between the parties to the subscription agreement dated 19 November 2021 regarding the Share Subscription for terminating the subscription agreement; and
- (j) a supplemental agreement dated 28 January 2022 entered into among the parties to the Agreement for extending the long stop date for fulfillment of the conditions of the Agreement.

Save as disclosed above, no material contracts (not being contract entered into in the ordinary course of business of the Group) were entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

6. EXPERT AND CONSENT

- (a) The following is the qualification of the expert who has given opinions, letters or advice which are contained in this circular:

Masterpiece Valuation Advisory Independent qualified professional valuer
Limited

- (b) The above-named expert has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.
- (c) As at the Latest Practicable Date, the above-named expert did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (d) As at the Latest Practicable Date, the above-named expert did not have any interest, direct or indirect, in any asset which has been, since 31 December 2020, 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 was proposed to be acquired or disposed of by or leased to any member of the Group.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.wwri007.com) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Agreement;
- (b) the report prepared by Masterpiece Valuation Advisory Limited on the valuation of the Properties, the text of which is set out in Appendix II to this circular; and
- (c) the written consents referred to in the paragraph headed “Expert and Consent” in this Appendix.

8. GENERAL

- (a) The registered office and principal place of business of the Company in Hong Kong is situated at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and Units 1910-12, 19th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong respectively.
- (b) The branch share registrar of the Company in Hong Kong is Tricor Standard Limited, which is situated at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Po Eric. Mr. Po graduated from City University of Hong Kong with a Bachelor of Arts (Honours) degree in Business Studies and is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has over 18 years of experience in accounting, financing and auditing field.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English texts shall prevail.