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WANG ON GROUP LIMITED
(宏安集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)



WANG ON PROPERTIES LIMITED
宏安地產有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1243)

JOINT ANNOUNCEMENT

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF THE SALE SHARES AND ASSIGNMENT OF THE SALE LOAN

THE DISPOSAL

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

The Target Company is an indirect wholly-owned subsidiary of WOP and it directly holds the Project Company, which is the sole registered, legal and beneficial owner of the Property. Upon Completion, the Target Company will cease to be a subsidiary of each of the WOG Group and the WOP Group, and its financial results will no longer be consolidated into the consolidated financial statements of each of the WOG Group and the WOP Group.

LISTING RULES IMPLICATIONS

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

A special general meeting will be convened by WOG to consider and, if thought fit, to approve the Disposal. A circular containing, among other things, details of the Disposal, and a notice of special general meeting of WOG is expected to be despatched to its shareholders on or before 30 April 2024 as additional time is required for WOG to prepare and finalise the information to be contained in its circular (including but not limited to the valuation report of the Property, the indebtedness statement and the working capital sufficiency statement).

A special general meeting will be convened by WOP to consider and, if thought fit, to approve the Disposal. A circular containing, among other things, details of the Disposal, and a notice of special general meeting of WOP is expected to be despatched to its shareholders on or before 30 April 2024 as additional time is required for WOP to prepare and finalise the information to be contained in its circular (including but not limited to the valuation report of the Property, the indebtedness statement and the working capital sufficiency statement).

VOTING UNDERTAKINGS OBTAINED

Mr. Tang Ching Ho has irrevocably undertaken to WOG to vote all of the shares in WOG beneficially held by him and held through entities wholly-owned by him, being 1,045,941,645 shares in WOG (representing approximately 6.8% of the total issued share capital of WOG), in favour of the resolutions to be proposed at WOG's special general meeting, whereas WOG has irrevocably undertaken to WOP to vote all of the shares in WOP directly or indirectly held by it, being 11,400,000,000 shares in WOP (representing 75% of the total issued share capital of WOP), in favour of the resolutions to be proposed at WOP's special general meeting, subject to obtaining the requisite approval from WOG's shareholders in accordance with the Listing Rules.

WARNING

Shareholders and potential investors of both WOG and WOP should be aware that completion of the Sale and Purchase Agreement is subject to the fulfillment of certain conditions precedent being satisfied, as set out in the section headed "THE SALE AND PURCHASE AGREEMENT – Conditions Precedent" of this joint announcement, and therefore, may or may not take place. Investors are advised to exercise caution when dealing in the securities of both WOG and WOP and if they are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

The board of directors of WOG and WOP respectively announces that on 28 March 2024, the Seller (an indirect wholly-owned subsidiary of WOP) and WOP (as the Seller's guarantor) entered into the Sale and Purchase Agreement with the Purchaser (an indirect 50%-owned joint venture of WOP), pursuant to which (a) the Seller conditionally agreed to sell and the Purchaser conditionally agreed to purchase (i) the entire issued share capital in the Target Company (i.e. the Sale Shares) and (ii) the loan owing by the Project Company to the Seller as at Completion (i.e. the Sale Loan), at the

aggregate Consideration of approximately HK\$797,080,516 (subject to adjustment) subject to the terms of the Sale and Purchase Agreement; and (b) WOP agreed to guarantee the due, proper and punctual performance and compliance by the Seller of its obligations under the Sale and Purchase Agreement.

The Target Company is an indirect wholly-owned subsidiary of WOP and it directly holds the Project Company, which is the sole registered, legal and beneficial owner of the Property. Upon Completion, the Target Company will cease to be a subsidiary of each of the WOG Group and the WOP Group, and its financial results will no longer be consolidated into the consolidated financial statements of each of the WOG Group and the WOP Group.

THE SALE AND PURCHASE AGREEMENT

Date

28 March 2024

Parties

- (a) the Seller, an indirect wholly-owned subsidiary of WOP, as seller;
- (b) the Purchaser, an indirect 50%-owned joint venture of WOP, as purchaser; and
- (c) WOP, as the Seller's guarantor.

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

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

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

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

Subject matter

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

Consideration

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

- (a) **Initial Consideration:** HK\$797,080,516, being the sum of, (i) the agreed value of the Property calculated based on the gross floor area currently permitted for the Project of 291,757 square feet (the "**Existing Permissible GFA**") and an agreed per-square-foot price of HK\$2,732; and (ii) the pro forma net asset value of the Target Group subject to customary completion accounts adjustment (the "**Initial Consideration**"); and
- (b) **Further Consideration:** being calculated based on (i) the excess gross floor area of the Project by deducting the sum of (A) the gross floor area of the government accommodation provided for under the relevant land grant(s) based on the Planning Application Approval and (B) the Existing Permissible GFA, from the actual total gross floor area of the Project permissible based on the first general building plan of the Project to be approved by the Building Authority; and (ii) the aforesaid agreed per-square-foot price (the "**Further Consideration**"). There is no limit on the value of the Further Consideration under the Sale and Purchase Agreement, and in any case, it would not be negative. It is expected that the Project Company will submit the first general building plan to the Building Authority in the second quarter of 2024 for the application for the approval by the Building Authority of the Project with excess gross floor area.

The Consideration was arrived at after arm's length negotiations between the Seller and the Purchaser, and it was derived from (a) the Existing Permissible GFA; and (b) the aforesaid agreed per-square-foot price of HK\$2,732, which was determined by taking into consideration (i) the records available to WOP in respect of five latest comparable land transactions for residential development in Kowloon (comprising two transactions in Kai Tak, two transactions in Yau Ma Tei and one

transaction in Tai Kok Tsui) between September 2022 and March 2024 with per-square-foot price ranging between approximately HK\$5,400 to approximately HK\$8,600; and (ii) the expected land premium from lease modification of the Property (to be paid by the Purchaser), which will be assessed by the Lands Department based on the difference in the land value of the Property before and after its lease modification, taking into account the specific attributes of the Property, such as permissible gross floor area, usage, etc.

The Consideration shall be satisfied and paid as follows:

- (a) a deposit (the “**Deposit**”) in the sum of HK\$39,854,026 (which represents 5% of the agreed value of the Property calculated based on the Existing Permissible GFA and the aforesaid agreed per-square-foot price) shall be paid by the Purchaser to the Seller upon signing of the Sale and Purchase Agreement as deposit and part payment of the Initial Consideration;
- (b) an amount equal to the balance of the Initial Consideration after deducting the Deposit therefrom (such balance shall be referred to as the “**Completion Payment**”) shall be paid by the Purchaser at Completion in the following manner:
 - (i) in the event that, no later than fourteen (14) business days prior to the Completion Date, the lender of the Existing Project Company Bank Loan has not granted its consent to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement, and neither extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser nor refinancing of the Existing Project Company Bank Loan after Completion on terms and conditions acceptable to the Purchaser has been obtained,
 - (A) a sum equal to the outstanding amount owing in respect of the Existing Project Company Bank Loan (the “**Redemption Amount**”) shall be made payable by the Purchaser directly to the lender of the Existing Project Company Bank Loan; and
 - (B) a sum equal to the balance of the Completion Payment (being the balance remaining after deducting the Redemption Amount from the Completion Payment) shall be paid by the Purchaser to the Seller or the Seller’s solicitors firm; or
 - (ii) in the event that, no later than fourteen (14) business days prior to the Completion Date, the lender of the Existing Project Company Bank Loan has granted its consent to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement, and either extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser or refinancing of the Existing Project Company Bank Loan after Completion on terms and conditions acceptable to the Purchaser has been obtained, the Completion Payment shall be paid by the Purchaser to the Seller or the Seller’s solicitors firm;

- (c) an amount in respect of the aforesaid customary completion accounts adjustment shall be paid by the Purchaser to the Seller or by the Seller to the Purchaser (as the case may be) within five (5) business days after the agreement or determination of the completion accounts; and
- (d) an amount equal to the Further Consideration shall be paid by the Purchaser to the Seller within ten (10) business days after the date on which the Lands Department grants its approval of the application for modification of the relevant land grant(s) to allow the redevelopment of the Property to proceed in accordance with the Planning Application Approval.

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

Conditions Precedent

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

- (a) the Project Company being able to provide and give a good title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (b) there being no breach of any warranties given by the Seller as set out in the Sale and Purchase Agreement in any material respects which will have a material adverse impact on the transactions contemplated under the Sale and Purchase Agreement;
- (c) there being no breach of any of the relevant pre-Completion undertakings, covenants or agreements of the Seller and/or WOP (if any) as set out in the Sale and Purchase Agreement in any material respects;
- (d) each of WOG and WOP having obtained the approval of their respective shareholders in respect of the Disposal contemplated under the Sale and Purchase Agreement and complied with all applicable requirements under the Listing Rules in respect of the Disposal;
- (e) Chevalier and its affiliates having complied with all applicable requirements under the Listing Rules as may be required by the Stock Exchange for the consummation of the transactions contemplated under the Sale and Purchase Agreement;
- (f) the pro forma completion accounts having been prepared and delivered by the Seller to the Purchaser;
- (g) the Existing WOP Bank Loan having been fully repaid and all security arrangements created for the Existing WOP Bank Loan having been released and/or discharged;

- (h) the restructuring of the loans and indebtedness owed (i) by the Project Company to the Target Company; (ii) by any of the Project Company and the Target Company to the Seller; and (iii) by any of the Project Company and the Target Company (on the one hand) to any affiliate of the Seller, WOP and/or WOG (on the other hand) having been completed, so that except the Sale Loan, no such loans and indebtedness remains outstanding at Completion;
- (i) there being no encumbrances over the Sale Shares, the Sale Loan or the Property (except, if no later than fourteen (14) business days prior to the Completion Date, the lender of the Existing Project Company Bank Loan has not granted its consent to the proposed change of control of the Project Company resulted from the transactions contemplated under the Sale and Purchase Agreement, and neither extension of the maturity date of the Existing Project Company Bank Loan for a period of not less than six (6) months on terms and conditions acceptable to the Purchaser nor refinancing of the Existing Project Company Bank Loan after Completion on terms and conditions acceptable to the Purchaser has been obtained as mentioned above, the security arrangements created for the Existing Project Company Bank Loan);
- (j) no material adverse change in respect of the financial condition of the Target Group and/or the Property having taken place;
- (k) no petition having been presented for the bankruptcy or winding up or liquidation of any of the Project Company, the Target Company, the Seller or WOP, and none of them having made any composition or arrangement with its creditors or entered into a scheme of arrangement, and no provisional liquidator, receiver or manager having been appointed over any of their the assets or undertaking; and
- (l) copies of the Certificate of Good Standing and the Certificate of Incumbency of each of the Target Company and the Seller dated not more than three (3) business days prior to Completion having been delivered to the Purchaser.

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

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

Completion

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

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

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

INFORMATION OF THE TARGET COMPANY, THE PROPERTY AND THE PROJECT

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

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

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

FINANCIAL INFORMATION OF THE TARGET GROUP

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

	For the financial year ended 31 March	
	2022	2023
	<i>Approximately</i>	<i>Approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Net loss before taxation	1,008.08	471.02
Net loss after taxation	1,008.08	471.02

The unaudited consolidated net asset value of the Target Group as at 29 February 2024 was approximately minus HK\$2.40 million.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Having considered the Initial Consideration and the unaudited consolidated net asset value of the Target Group as at 29 February 2024 and the Purchaser being an indirect 50%-owned joint venture of WOP, it is estimated that upon Completion, the total assets of the WOG Group and the WOP Group will decrease by approximately HK\$572.19 million. The total liabilities of WOG Group and the WOP Group will decrease by approximately HK\$322.77 million. It is estimated that the net assets of both the WOG Group and the WOP Group will have a decrease of approximately HK\$249.42 million, being the net effect of the changes of the total assets and total liabilities of the WOG Group and the WOP Group.

It is estimated that both the WOG Group and WOP Group will record a loss on the Disposal in the amount of approximately HK\$249.42 million, which is calculated based on the Initial Consideration and the unaudited consolidated net asset value of the Target Group as at 29 February 2024, taking into account the Purchaser being an indirect 50%-owned joint venture of WOP and the expenses to be incurred in connection with the Disposal (including legal and professional fees). The actual loss will be subject to review by the auditors of WOP and WOG.

The net proceeds in the amount of approximately HK\$471.29 million (being the Initial Consideration net the sum of the above expenses and the Redemption Amount) will be used as the general working capital of the WOP Group.

INFORMATION OF THE SELLER

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

INFORMATION OF THE WOG GROUP, WOP AND THE WOP GROUP

The WOG Group is principally engaged in (a) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (b) property investment, property development and asset management in Hong Kong through WOP, its 75.00%-owned listed subsidiary; (c) manufacturing and retailing of pharmaceutical and health food products through WYT, its approximately 69.19%-owned listed subsidiary; and (d) management and sale of properties in agricultural produce exchange markets in the PRC through CAP (a listed subsidiary of WOG), which is indirectly held as to approximately 57.10% by WOG. WOG is ultimately owned by Mr. Tang Ching Ho (the chairman, an executive director and controlling shareholder of WOG) (together with his associates) as to approximately 39.50%.

The WOP Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation and asset management. WOP is owned by WOG as to 75.00%, which is in turn ultimately owned by Mr. Tang Ching Ho (together with his associates) as to approximately 39.50%.

INFORMATION OF THE PURCHASER

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

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The directors of both WOG and WOP consider that the Disposal and the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of each of WOG, WOP and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

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

A special general meeting will be convened by WOG to consider and, if thought fit, to approve the Disposal. A circular containing, among other things, details of the Disposal, and a notice of special general meeting of WOG is expected to be despatched to its shareholders on or before 30 April 2024 as additional time is required for WOG to prepare and finalise the information to be contained in its circular (including but not limited to the valuation report of the Property, the indebtedness statement and the working capital sufficiency statement).

A special general meeting will be convened by WOP to consider and, if thought fit, to approve the Disposal. A circular containing, among other things, details of the Disposal, and a notice of special general meeting of WOP is expected to be despatched to its shareholders on or before 30 April 2024 as additional time is required for WOP to prepare and finalise the information to be contained in its circular (including but not limited to the valuation report of the Property, the indebtedness statement and the working capital sufficiency statement).

VOTING UNDERTAKINGS OBTAINED

Mr. Tang Ching Ho has irrevocably undertaken to WOG to vote all of the shares in WOG beneficially held by him and held through entities wholly-owned by him, being 1,045,941,645 shares in WOG (representing approximately 6.8% of the total issued share capital of WOG), in favour of the resolutions to be proposed at WOG's special general meeting, whereas WOG has irrevocably undertaken to WOP to vote all of the shares in WOP directly or indirectly held by it, being 11,400,000,000 shares in WOP (representing 75% of the total issued share capital of WOP), in favour of the resolutions to be proposed at WOP's special general meeting, subject to obtaining the requisite approval from WOG's shareholders in accordance with the Listing Rules.

WARNING

Shareholders and potential investors of both WOG and WOP should be aware that completion of the Sale and Purchase Agreement is subject to the fulfillment of certain conditions precedent being satisfied, as set out in the section headed "THE SALE AND PURCHASE AGREEMENT – Conditions Precedent" of this joint announcement, and therefore, may or may not take place. Investors are advised to exercise caution when dealing in the securities of both WOG and WOP and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“associates”, “connected persons” and “percentage ratio”	each has the meaning as ascribed to it under the Listing Rules
“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 149) and a listed subsidiary which is indirectly held as to approximately 57.10% by WOG
“Chevalier”	Chevalier International Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 25)
“Chevalier Shareholder”	Lofty Ideal Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Chevalier and holder of 50% of the issued shares of the Purchaser
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the Sale Loan under the Sale and Purchase Agreement
“Completion Date”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Completion”
“Completion Payment”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Conditions”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Conditions Precedent”
“Consideration”	the consideration payable by the Purchaser to the Seller for the Sale Shares and the Sale Loan under the Sale and Purchase Agreement, subject to adjustments, being the Initial Consideration and the Further Consideration

“Deposit”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Disposal”	the disposal of the Sale Shares and the assignment of the Sale Loan by the Seller to the Purchaser pursuant to the Sale and Purchase Agreement
“Existing Project Company Bank Loan”	the loan and banking facilities granted to the Project Company as borrower by a third-party bank in Hong Kong for the purpose of, among other things, financing the acquisition of the Property
“Existing WOP Bank Loan”	the loan and banking facilities granted to WOP as borrower by a third-party bank in Hong Kong for the purpose of, among other things, financing the acquisition of the Property
“Existing Permissible GFA”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Further Consideration”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Consideration”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Long Stop Date”	17 June 2024 (or such later date as the Seller, the Purchaser and WOP may from time to time agree in writing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Wang On Asset Management Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of WOP

“Planning Application Approval”	the approval by the Town Planning Board in February 2024 of the application by the Project Company for permission of the proposed minor relaxation of plot ratio restriction for certain zone at the Property pursuant to section 16 of the Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong)
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the project involving the completion by the Project Company of the redevelopment of the Property, the particular of which are set out in the section headed “INFORMATION OF THE TARGET COMPANY, THE PROPERTY AND THE PROJECT”
“Project Company”	New Grand Limited 樂傲有限公司, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company and the sole registered, legal and beneficial owner of the Property
“Property”	all those pieces or parcels ground registered in the Land Registry of Hong Kong as Yau Tong Inland Lot No. 30 and Yau Tong Inland Lot No. 31 and of and in the messuages erections and buildings thereon now known as Yau Tong Industrial Building Block 4, Nos. 18 & 20 Sze Shan Street, Kowloon, Hong Kong, the particulars of which are set out in the section headed “INFORMATION OF THE TARGET COMPANY, THE PROPERTY AND THE PROJECT”
“Purchaser”	Divine Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect 50%-owned joint venture of each of WOP and Chevalier
“Redemption Amount”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration”
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 March 2024 entered into among the Seller, the Purchaser and WOP in relation to the Disposal

“Sale Loan”	the loan owing by the Project Company to the Seller as at Completion (including all the principal and interests accrued thereon, if any), amounting to approximately HK\$723.10 million as at the date of this joint announcement
“Sale Shares”	100 issued ordinary shares of the Target Company, representing the entire issued share capital of the Target Company legally and beneficially owned by the Seller prior to Completion
“Seller”	Top List Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP
“Shareholders’ Agreement”	has the meaning as defined in the section headed “THE SALE AND PURCHASE AGREEMENT – Parties”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target Company”	Beam Up Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Seller prior to Completion and the direct holding company of the Project Company
“Target Group”	the Target Company and the Project Company
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Group”	WOG and its subsidiaries
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243) and a 75%-owned listed subsidiary of WOG
“WOP Group”	WOP and its subsidiaries

“WOP Shareholder” New Honour Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP and holder of 50% of the issued shares of the Purchaser

“WYT” Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897) and an approximately 69.19%-owned listed subsidiary of WOG

“%” per cent

By order of the board of directors of
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman and Executive Director

By order of the board of directors of
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Tang Ho Hong
Executive Director and Chief Executive Officer

Hong Kong, 28 March 2024

As at the date of this joint announcement, the board of directors of WOG comprises Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie as executive directors; and Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung as independent non-executive directors.

As at the date of this joint announcement, the board of directors of WOP comprises Mr. Tang Ho Hong, Ms. Wong Chin Han and Ms. Ching Tak Won Teresa as executive directors; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah, Sr Dr. Leung Tony Ka Tung and Dr. Chan Ho Wah Terence as independent non-executive directors.

* *For identification purpose only*