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**THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your securities in Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司\*), you should at once hand this supplemental circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**WAI YUEN TONG MEDICINE HOLDINGS LIMITED**  
**(位元堂藥業控股有限公司\*)**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 897)**

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR DATED  
11 NOVEMBER 2019 IN RELATION TO  
POSSIBLE VERY SUBSTANTIAL ACQUISITION IN RELATION TO PRE-  
CONDITIONAL VOLUNTARY PARTIAL CASH OFFER TO ACQUIRE  
CERTAIN SHARES IN AND CONVERTIBLE NOTES ISSUED BY  
CHINA AGRI-PRODUCTS EXCHANGE LIMITED;  
AND  
NOTICE OF ADJOURNED SPECIAL GENERAL MEETING**

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This supplemental circular should be read in conjunction with the circular of the Company dated 11 November 2019.

A notice convening the Original SGM has been enclosed with the Original Circular and despatched to the Shareholders on 11 November 2019. The notice convening the Adjourned SGM to be held at 20/F., Alexandra House, 18 Chater Road, Central, Hong Kong on Tuesday, 31 December 2019 at 10:00 a.m. is set out on pages ASGM-1 to ASGM-2 of this supplemental circular.

Whether or not you are able to attend and vote in person at the Adjourned SGM, you are requested to complete the accompanying Second Proxy Form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Adjourned SGM. Completion and return of the Second Proxy Form will not preclude you from attending and voting in person at the Adjourned SGM should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

\* For identification purpose only

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## DEFINITIONS

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

“Adjourned SGM”	the adjourned special general meeting of the Company to be convened and held to consider, and if thought fit, approve, with or without amendment, and among other things, the Partial Offers Resolution
“First Proxy Form”	the proxy form for use at the Original SGM which was despatched to the Shareholders with the Original Circular on 11 November 2019
“Independent CAP Shareholders”	CAP Shareholder(s) other than Onger Investments and Kingston Securities
“Kingston Irrevocable Undertaking”	the irrevocable undertaking dated 26 November 2019 entered into between the Offeror and Kingston Securities in respect of the Partial Share Offer
“Latest Practicable Date”	10 December 2019, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information for inclusion in this supplemental circular
“November Announcement”	the joint announcement issued by the Company, Offeror, WOG, EOG and CAP dated 26 November 2019 in relation to, among other things, the Kingston Irrevocable Undertaking and the adjournment of the voting on the Partial Offers Resolution at the Original SGM
“Original Circular”	the circular dated 11 November 2019 of the Company in respect of, among other things, the Partial Offers
“Original SGM”	the special general meeting of the Company convened and held on 27 November 2019
“Partial Offers Resolution”	the resolution in respect of the Partial Offers as set out in the notice of the Original SGM
“Second Proxy Form”	the proxy form for use at the Adjourned SGM and being enclosed with this supplemental circular
“Supplemental Joint Announcement”	the supplemental announcement dated 28 November 2019 jointly issued by the Company, the Offeror, WOG, EOG and CAP to supplement and update the Joint Announcement

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## LETTER FROM THE BOARD

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# WAI YUEN TONG MEDICINE HOLDINGS LIMITED (位元堂藥業控股有限公司\*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 897)

*Executive Directors:*

Mr. Tang Ching Ho, SBS, JP  
(Chairman and Managing Director)  
Mr. Chan Chun Hong, Thomas  
Ms. Tang Mui Fun  
Ms. Tang Wai Man

*Independent non-executive Directors:*

Mr. Leung Wai Ho, MH  
Mr. Siu Man Ho, Simon  
Mr. Cho Wing Mou  
Mr. Li Ka Fai, David

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place  
of business:*

Suite 3101, 31/F., Skyline Tower  
39 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

11 December 2019

*To Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR DATED  
11 NOVEMBER 2019 IN RELATION TO  
POSSIBLE VERY SUBSTANTIAL ACQUISITION IN RELATION TO PRE-  
CONDITIONAL VOLUNTARY PARTIAL CASH OFFER TO ACQUIRE  
CERTAIN SHARES IN AND CONVERTIBLE NOTES ISSUED BY  
CHINA AGRI-PRODUCTS EXCHANGE LIMITED;  
AND  
NOTICE OF ADJOURNED SPECIAL GENERAL MEETING**

**INTRODUCTION**

References are made to the Joint Announcement, the Original Circular, the November Announcement and the Supplemental Joint Announcement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Original Circular.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this supplemental circular is to provide you with (i) updated information of the Partial Offers; (ii) updated unaudited pro forma consolidated financial information of the Enlarged Group as set out in Appendix I; and (iii) the notice of the Adjourned SGM.

### **IRREVOCABLE UNDERTAKING BY KINGSTON SECURITIES**

On 26 November 2019, Kingston Securities, which is the agent making the Partial Offers on behalf of the Offeror and a party presumed to be acting in concert with the Offeror, and the holder of 793,254,588 CAP Shares (the “**Relevant CAP Shares**”), representing approximately 7.97% of the CAP Shares in issue, gave an irrevocable undertaking to the Offeror that, among other things:–

- (a) it will accept the Partial Share Offer in respect of all of the Relevant CAP Shares;
- (b) it will take such step(s) to effect such acceptance of the Partial Share Offer and transfer to the Offeror of the Relevant CAP Shares (or the relevant portion thereof after scaling down in accordance with the terms of the Partial Share Offer);
- (c) it will not withdraw its acceptance of the Partial Share Offer; and
- (d) it will not sell, transfer, encumber, grant any option over or otherwise dispose of any of the Relevant CAP Shares or any interest in the Relevant CAP Shares except pursuant to the Partial Share Offer.

As at the Latest Practicable Date, apart from the EOG Irrevocable Undertaking and the Kingston Irrevocable Undertaking, the Offeror and parties acting in concert with it have not received any indication or irrevocable commitment from any CAP Shareholder and Convertible Noteholder to accept or reject the Partial Offers.

### **UPDATES TO THE ORIGINAL CIRCULAR**

Following the entering into of the Kingston Irrevocable Undertaking, the Company wishes to supplement and update the Original Circular as follows:

#### **CONDITION (I) – THE ACCEPTANCE CONDITION**

As set out in the Original Circular, the Partial Share Offer, if made, will be subject to the Conditions, including valid acceptances of the Partial Share Offer having been received (and not, where permitted, withdrawn) in respect of a minimum number of CAP Shares which would result in the Offeror and parties acting in concert with it holding 50.01% of the CAP Shares in issue by 4:00 p.m. (Hong Kong time) on the First Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve), provided that the Offeror shall purchase from the CAP Shareholders as many CAP Shares as are tendered by the CAP Shareholders up to a maximum number of CAP Shares which would result in the Offeror and parties acting in concert with it holding 75% of the CAP Shares in issue as at the Final Closing Date (including any CAP Share for which a valid conversion notice has been delivered in respect of the Convertible Notes on or after the Joint Announcement Date and prior to the Final Closing Date).

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## LETTER FROM THE BOARD

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As of the Joint Announcement Date, as well as of the Latest Practicable Date, Kingston Securities, the agent making the Partial Offers on behalf of the Offeror and a party presumed to be acting in concert with the Offeror, holds 793,254,588 CAP Shares, representing approximately 7.97% of the CAP Shares in issue. In this connection, the following disclosure in the Original Circular shall be supplemented and updated to read as follows:

<b>Page reference and heading in the Original Circular</b>	<b>Updated disclosure</b>
“Letter from the Board”, Page 10, Note to Condition (i)	“ <i>Note:</i> As of the Latest Practicable Date, based on the total number of 9,953,067,822 CAP Shares in issue, and (a) 2,007,700,062 (or approximately 20.17%) CAP Shares held indirectly by EOG (a party acting in concert with the Offeror) and (b) 793,254,588 (or approximately 7.97%) CAP Shares held by Kingston Securities (a party presumed to be acting in concert with the Offeror), the minimum number of CAP Shares tendered for valid acceptance from the Independent CAP Shareholders that is required for the acceptance condition above would be 2,176,574,567 CAP Shares, representing approximately 21.87% of the CAP Shares in issue; and the maximum number of CAP Shares to be purchased by the Offeror from the Independent CAP Shareholders would be 4,663,846,216 CAP Shares, representing approximately 46.86% of the CAP Shares in issue.”

### THE PARTIAL CN OFFER

Due to the update on the maximum number of CAP Shares to be purchased by the Offeror from the Independent CAP Shareholders as set out above, pursuant to Rule 13.1 of the Takeovers Code, Kingston Securities, on behalf of the Offeror, will extend an appropriate offer to acquire a maximum of 46.86% of the outstanding principal amount of the Convertible Notes (subject to adjustment in the event of a change in the issued share capital of CAP). In this connection, the following disclosures in the Original Circular shall be supplemented and updated to read as follows:

<b>Page reference and heading in the Original Circular</b>	<b>Updated disclosures</b>
“Letter from the Board”, Page 8	“(b) pursuant to Rule 13.1 of the Takeovers Code, extend an appropriate offer to acquire a maximum of 46.86% of the outstanding principal amount of the Convertible Notes (subject to adjustment in the event of a change in the issued share capital of CAP) (for illustrative purposes only, as at the Latest Practicable Date and assuming no Convertible Notes are converted into the CAP Shares, the maximum amount of the Convertible Notes that may be acquired would be approximately HK\$124.08 million of the outstanding principal amount of the Convertible Notes).”

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## LETTER FROM THE BOARD

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<b>Page reference and heading in the Original Circular</b>	<b>Updated disclosures</b>
“Letter from the Board”, Page 11	“As at the Latest Practicable Date, if the Partial CN Offer becomes unconditional, the Offeror can acquire a maximum of 46.86% of the outstanding principal amount of the Convertible Notes. However, in the event that there is a change to the issued share capital of CAP, the maximum percentage of the outstanding principal amount of the Convertible Notes which the Offeror can acquire will be adjusted. Further announcement will be made if such change occurs.”

### OTHER CONSEQUENTIAL UPDATES TO OTHER PARTS OF THE ORIGINAL CIRCULAR

The Company would like to further provide the following consequential updates to the Original Circular:

<b>Page reference and heading in the Original Circular</b>	<b>Updated disclosures</b>
Page 3, add a definition of “Independent CAP Shareholder(s)”	“CAP Shareholder(s) other than Onger Investments and Kingston Securities”
Page 4, definition of “Offer Convertible Notes”	“the Convertible Notes subject to the Partial CN Offer, being a maximum of 46.86% of the outstanding principal amount of the Convertible Notes (subject to adjustment in the event of a change in the issued share capital of CAP)”
Page 4, definition of “Partial CN Offer”	“the conditional voluntary partial cash offer to be made by Kingston Securities on behalf of the Offeror to the Convertible Noteholders to acquire a maximum of 46.86% of the outstanding principal amount of the Convertible Notes (subject to adjustment in the event of a change in the issued share capital of CAP) on the terms and conditions set out in this supplemental circular and to be set out in the Composite Document and in compliance with the Takeovers Code”
“Letter from the Board”, Page 13	“As at the Latest Practicable Date, CAP has 9,953,067,822 CAP Shares in issue and each of EOG (through Onger Investments) and Kingston Securities, a party acting, or presumed to be acting, in concert with the Offeror, holds 2,007,700,062 and 793,254,588 CAP Shares, representing approximately 20.17% and approximately 7.97% of the CAP Shares in issue, respectively. As at the Latest Practicable Date, there are outstanding Convertible Notes in the principal amount of HK\$264.8 million, HK\$103.0 million of which is held indirectly by EOG.

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## LETTER FROM THE BOARD

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**Page reference and heading  
in the Original Circular**

**Updated disclosures**

The cash consideration payable by the Offeror for the Offer Shares, being a maximum number of CAP Shares which would result in the Offeror and parties acting in concert with it holding 75% of the CAP Shares in issue as at the Final Closing Date, under the Partial Share Offer will be approximately HK\$496.60 million (assuming no Convertible Notes are converted into the CAP Shares) or approximately HK\$524.20 million (assuming all Convertible Notes that are not subject to the EOG Irrevocable Undertaking (being approximately HK\$161.8 million or approximately 61.10%) are converted into the CAP Shares).

Assuming full valid acceptances of the Partial CN Offer, the cash consideration payable by the Offeror under the Partial CN Offer will be approximately HK\$28.23 million.

Accordingly, the maximum total cash consideration payable by the Offeror under the Partial Offers will amount to approximately HK\$524.83 million.”

“Letter from the Board”, Page 15

**“LISTING STATUS**

The Company understands that the Offeror intends to maintain the listing status of CAP on the Stock Exchange upon completion of the Partial Offers. As at the Latest Practicable Date, CAP had a public float of approximately 79.83% of the CAP Shares in issue. In the event the Partial Offers become unconditional, upon completion of the Partial Offers, it is expected that the Offeror and parties acting in concert with it will be holding at least 50.01% and not more than 75% in CAP. CAP will continue to have a public float of at least 25% of the CAP Shares in issue immediately following completion of the Partial Offers (assuming there are no changes to the issued share capital of CAP after the Latest Practicable Date) and accordingly the number of CAP Shares in public hands will continue to meet the public float requirement under Rule 8.08 of the Listing Rules.”



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## LETTER FROM THE BOARD

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**Page reference and heading  
in the Original Circular**

**Updated disclosures**

“Letter from the Board”, Page 17

“In addition, the Partial Share Offer represents a good opportunity for the CAP Shareholders (other than EOG and its relevant wholly-owned subsidiary due to the EOG Irrevocable Undertaking) to realise at least approximately 65.21% (assuming there are no changes to the issued share capital of CAP after the Latest Practicable Date) of their investment at a premium to the recent share price of the CAP Shares.”

“Unaudited pro forma consolidated financial information of the Enlarged Group”, Appendix III

Please refer to the updated unaudited pro forma consolidated financial information of the Enlarged Group set out in Appendix I to this supplemental circular.

Save as disclosed above, all other information in the Original Circular shall remain unchanged.

### **NOTICE OF THE ADJOURNED SGM**

In order to allow sufficient time for the Shareholders to consider further information about the Partial Offers as provided in this supplemental circular, with the consent of the Original SGM, the voting on the Partial Offers Resolution was adjourned.

A notice convening the Adjourned SGM of the Company to be held at 20/F., Alexandra House, 18 Chater Road, Central, Hong Kong on Tuesday, 31 December 2019 at 10:00 a.m. is set out on pages ASGM-1 to ASGM-2 of this supplemental circular.

As a result of the recent developments in respect of the Partial Offers as disclosed above, the chairman of the Adjourned SGM will, with the consent of the Adjourned SGM, propose consequential changes to the Partial Offers Resolution to take into account the updates referred to above in this supplemental circular.

### **SECOND PROXY FORM**

The Second Proxy Form for use at the Adjourned SGM is enclosed with this supplemental circular. Whether or not you are able to attend and vote in person at the Adjourned SGM, you are requested to complete the Second Proxy Form in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (the “**Share Registrar**”) as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Adjourned SGM (the “**Closing Time**”). Completion and return of the Second Proxy Form will not preclude you from attending and voting in person at the Adjourned SGM should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Any Shareholder who has not yet lodged the First Proxy Form with the Share Registrar is requested to lodge the Second Proxy Form if he/she wishes to appoint proxy(ies) to attend the Adjourned SGM on his/her behalf. In this case, the First Proxy Form should not be lodged with the Share Registrar.

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## LETTER FROM THE BOARD

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Notwithstanding the above, a Shareholder who has already lodged the First Proxy Form with the Share Registrar should note that:

- (i) subject to (iii) below, if no Second Proxy Form is lodged with the Share Registrar, the First Proxy Form will be treated as a valid form of proxy lodged by him/her if correctly completed. The proxy(ies) so appointed by the Shareholder shall be required to vote on the Partial Offers Resolution in such manner as he/she may be directed under the First Proxy Form;
- (ii) if the Second Proxy Form is lodged with the Share Registrar before the Closing Time, the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid form of proxy lodged by the Shareholder if correctly completed; and
- (iii) if the Second Proxy Form is lodged with the Share Registrar after the Closing Time, the Second Proxy Form will be invalid. The proxy(ies) so appointed by the Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Second Proxy Form was lodged with the Share Registrar.

### RECOMMENDATION

Taking into account the recent developments in respect of the Partial Offers as disclosed above, the Board remains of the view that the terms of the Partial Offers and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Partial Offers Resolution set out in the notice of the Adjourned SGM on pages ASGM-1 to ASGM-2 of this supplemental circular to be proposed at the Adjourned SGM to approve the Partial Offers and the transactions contemplated thereunder.

### RESPONSIBILITY STATEMENT

This supplemental 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental 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 supplemental circular misleading.

Yours faithfully,

For and on behalf of the Board

**WAI YUEN TONG MEDICINE HOLDINGS LIMITED**  
(位元堂藥業控股有限公司\*)

**Tang Ching Ho**

*Chairman and Managing Director*

\* For identification purpose only

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**

The following is an illustrative unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income, unaudited pro forma consolidated statement of cash flow (collectively, the “**Unaudited Pro Forma Financial Information**”) of Wai Yuen Tong Medicine Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), as enlarged by the proposed acquisition of a maximum of 54.83% equity interest in China Agri-Products Exchange Limited (“**CAP**”) and its subsidiaries (collectively, “**CAP Group**”), proposed acquisition of a maximum of 46.86% of the outstanding principal amount of the convertible notes issued by CAP (“**CN**”) and provision of loans of a principal amount of HK\$621,000,000 to CAP for a period of three years for the purpose of refinancing the outstanding amount of the five-year 10.0% coupon bonds issued by CAP on 28 November 2014 (“**CAP Bonds**”) held by the Group (collectively, the “**Proposed Transactions**”). The Group as enlarged by the Proposed Transactions are hereafter collectively referred to as the (“**Enlarged Group**”). The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company (the “**Directors**”) in accordance with rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of illustrating the effect of the Proposed Transactions to the Group.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate: (a) the financial position of the Enlarged Group as if the Proposed Transactions had been completed on 30 September 2019 and (b) the results and cash flows of the Enlarged Group for the year ended 31 March 2019 as if the Proposed Transactions had been completed on 1 April 2018.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Proposed Transactions been completed on 30 September 2019 or any future date or the results and cash flows of the Enlarged Group for the year ended 31 March 2019 had the Proposed Transactions been completed on 1 April 2018 or any future date.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated statement of financial position of the Group as at 30 September 2019, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 March 2019, which have been extracted from the Company’s published interim results announcement for the six months ended 30 September 2019 and the annual report for the year ended 31 March 2019, respectively, and the consolidated statement of financial position of the CAP Group as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the CAP Group for the year ended 31 December 2018, which have been extracted from CAP’s published interim report for the six months ended 30 June 2019 and the annual report for the year ended 31 December 2018, respectively, after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this supplemental circular.

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments						Unaudited	
	for the year ended 31 March 2019	for the year ended 31 December 2018	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	pro forma of the Enlarged Group	
	Note 1	Note 1	Note 2(b)	Note 2(c)	Note 2(d)	Note 2(e)	Note 2(f)	Note 2(g)	Note 2(i)	
<b>REVENUE</b>	751,443	778,857								1,530,300
Cost of sales	(449,915)	(387,962)								(837,877)
Gross profit	301,528	390,895								692,423
Other income and gains	115,671	21,313	273,543		(86,162)	(1,179)				323,186
Selling and distribution expenses	(281,769)	(50,356)								(332,125)
Administrative expenses	(166,170)	(234,876)				1,562				(399,484)
Reversal of impairment losses/ (impairment losses) on financial assets, net	82,767	-						(83,895)		(1,128)
Other expenses	(6,205)	-							(6,320)	(12,525)
Finance costs	(28,553)	(211,702)			86,162		13,269			(140,824)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	593	(17,687)					8,288			(8,806)
Fair value gains on investment properties, net	17,445	4,507								21,952
Written down of stock of properties	-	(66,371)								(66,371)
Share of profit on joint venture	-	10,352								10,352
Gain on disposal of subsidiaries	-	39,846								39,846
Share of profits and losses of associates	46,387	-								46,387
PROFIT/(LOSS) BEFORE TAX	81,694	(114,079)								172,883
Income tax expense	(7,448)	(65,240)								(72,688)
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>74,246</b>	<b>(179,319)</b>								<b>100,195</b>

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments						Unaudited
	for the	for the							pro forma
	year ended	year ended							of the
	31 March	31 December							Enlarged
	2019	2018							Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 1	Note 2(b)	Note 2(c)	Note 2(d)	Note 2(e)	Note 2(f)	Note 2(g)	Note 2(i)
OTHER COMPREHENSIVE INCOME/(LOSS)									
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:									
Debt investments at fair value through other comprehensive income:									
Changes in fair value	(3,198)	-					7,810		4,612
Reclassification adjustments for losses included in profit or loss:									
Impairment losses/(reversal of impairment losses)	(80,353)	-					81,102		749
	(83,551)	-							5,361
Share of other comprehensive income/(loss) of associates	(26,917)	-							(26,917)
Translation reserves:									
Translation of foreign operations	(13,326)	(184,698)							(198,024)
Release of exchange differences upon disposal of subsidiaries	-	1,353							1,353
	(13,326)	(183,345)							(196,671)
Net other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods	(123,794)	(183,345)							(218,227)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:									
Share of other comprehensive loss of an associate	(4,240)	-							(4,240)
Equity investments at fair value through other comprehensive income:									
Changes in fair value	(39,296)	-							(39,296)
Deferred tax	3,521	-							3,521

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments							Unaudited
	for the year ended 31 March 2019	for the year ended 31 December 2018								pro forma of the Enlarged Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note 1</i>	<i>Note 1</i>	<i>Note 2(b)</i>	<i>Note 2(c)</i>	<i>Note 2(d)</i>	<i>Note 2(e)</i>	<i>Note 2(f)</i>	<i>Note 2(g)</i>	<i>Note 2(i)</i>	
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(40,015)	-								(40,015)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	(163,809)	(183,345)								(258,242)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(89,563)</u>	<u>(362,664)</u>								<u>(158,047)</u>
Profit/(loss) attributable to:										
Owners of the parent	74,627	(212,596)	273,543	96,033	(38,921)	(323)	11,819	(83,895)	(5,769)	114,518
Non-controlling interests	(381)	33,277	-	(96,033)	38,921	706	9,738	-	(551)	(14,323)
	<u>74,246</u>	<u>(179,319)</u>	273,543	-	-	383	21,557	(83,895)	(6,320)	<u>100,195</u>
Total comprehensive loss attributable to:										
Owners of the parent	(88,025)	(378,013)	273,543	170,755	(38,921)	(323)	11,819	5,017	(5,769)	(49,917)
Non-controlling interests	(1,538)	15,349	-	(170,755)	38,921	706	9,738	-	(551)	(108,130)
	<u>(89,563)</u>	<u>(362,664)</u>	273,543	-	-	383	21,557	5,017	(6,320)	<u>(158,047)</u>

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE  
ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments					Unaudited
	as at	as at						pro forma of
	30 September 2019	30 June 2019	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	the Enlarged Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 1	Note 2(a)	Note 2(b)	Note 2(d)	Note 2(h)	Note 2(i)	
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment	1,041,312	50,573	(1,905)					1,089,980
Investment properties	430,300	2,844,470						3,274,770
Net investments in sub-leases	12,689	–						12,689
Intangible assets	–	3,031	5,018					8,049
Right-of-use assets	–	20,451	(1,636)					18,815
Investment in associates	332,220	–						332,220
Financial assets at fair value through other comprehensive income	112,232	–						112,232
Deposits paid	11,839	–						11,839
Deferred tax assets	10,122	–						10,122
Total non-current assets	<u>1,950,714</u>	<u>2,918,525</u>						<u>4,870,716</u>
<b>CURRENT ASSETS</b>								
Inventories	201,084	–						201,084
Stock of properties	–	1,831,105	173,239					2,004,344
Net investments in sub-leases	6,779	–						6,779
Trade and bills receivables	76,393	8,232						84,625
Loans and interest receivables	19,167	39,423			(18,192)			40,398
Prepayments, deposits and other receivables	77,144	224,183						301,327
Financial assets at fair value through other comprehensive income	618,641	–			(618,641)			–
Financial assets at fair value through profit or loss	60,588	2,259		(1,021)				61,826
Tax recoverable	4,539	–						4,539
Restricted bank balances	532,000	–		(524,825)				7,175
Cash and cash equivalents	106,931	397,440			(62,679)		(6,320)	435,372
Total current assets	<u>1,703,266</u>	<u>2,502,642</u>						<u>3,147,469</u>

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments					Unaudited
	as at	as at						pro forma of
	30 September	30 June						the Enlarged
	2019	2019						Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 1	Note 2(a)	Note 2(b)	Note 2(d)	Note 2(h)	Note 2(i)	
<b>CURRENT LIABILITIES</b>								
Trade payables	32,553	–						32,553
Other payables and accruals	84,024	706,443	35		(6,349)			784,153
Contract liabilities	–	671,828						671,828
Bonds	–	803,462	10,132		(688,400)	(89,000)		36,194
Lease liabilities	69,004	2,584						71,588
Promissory notes	–	376,000						376,000
Interest-bearing bank and other borrowings	437,290	195,889						633,179
Tax payable	2,871	75,641						78,512
Total current liabilities	<u>625,742</u>	<u>2,831,847</u>						<u>2,684,007</u>
<b>NET CURRENT ASSETS</b>	<u>1,077,524</u>	<u>(329,205)</u>						<u>463,462</u>
<b>TOTAL ASSETS LESS</b>								
<b>CURRENT LIABILITIES</b>	<u>3,028,238</u>	<u>2,589,320</u>						<u>5,334,178</u>
<b>NON-CURRENT</b>								
<b>LIABILITIES</b>								
Interest-bearing bank and other borrowings	484,324	140,989				89,000		714,313
Bonds	–	164,315	10,738					175,053
Convertible bonds	–	239,348	9,518	(116,615)				132,251
Lease liabilities	79,013	18,264						97,277
Deferred tax liabilities	3,377	420,433	64,514					488,324
Other payables	3,677	–						3,677
Total non-current liabilities	<u>570,391</u>	<u>983,349</u>						<u>1,610,895</u>
Net assets	<u>2,457,847</u>	<u>1,605,971</u>						<u>3,723,283</u>



**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group as at 30 September 2019	CAP Group as at 30 June 2019	Pro forma adjustments				Unaudited pro forma of the Enlarged Group
	HK\$'000 Note 1	HK\$'000 Note 1	HK\$'000 Note 2(a)	HK\$'000 Note 2(b)	HK\$'000 Note 2(d)	HK\$'000 Note 2(h)	HK\$'000 Note 2(i)
<b>EQUITY</b>							
<b>Equity attributable to owners of the parent</b>							
Share capital	12,316	99,531		(99,531)			12,316
Reserve	<u>2,440,328</u>	<u>1,113,971</u>	31,792	(872,220)	(4,763)	(5,769)	<u>2,703,339</u>
	<u>2,452,644</u>	<u>1,213,502</u>					<u>2,715,655</u>
Non-controlling interests	<u>5,203</u>	<u>392,469</u>	47,987	562,520		(551)	<u>1,007,628</u>
Total Equity	<u><u>2,457,847</u></u>	<u><u>1,605,971</u></u>					<u><u>3,723,283</u></u>

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED  
GROUP**

	The Group	CAP Group	Pro forma adjustments						Unaudited
	for the	for the							pro forma of
	year ended	year ended							the Enlarged
	31 March	31 December							Group
	2019	2018							Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note 1</i>	<i>Note 1</i>	<i>Note 2(b)</i>	<i>Note 2(d)</i>	<i>Note 2(e)</i>	<i>Note 2(f)</i>	<i>Note 2(g)</i>	<i>Note 2(i)</i>	
Profit (loss) before tax	81,694	(114,079)	273,543	–	383	21,557	(83,895)	(6,320)	172,883
Adjustments for:									
Finance costs	28,553	211,702		(86,162)		(13,269)			140,824
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	(593)	213							(380)
Change in fair value of derivative financial instruments	–	17,687				(8,288)			9,399
Fair value gains on investment properties, net	(17,445)	(4,507)							(21,952)
Accrued rent-free rental income	357	–							357
Share of profits and losses of associates	(46,387)	–							(46,387)
Dividends from financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	(3,145)	–							(3,145)
Interest income on a loan receivable from an associate	(4,203)	–							(4,203)
Interest income on financial assets at fair value through other comprehensive income	(90,179)	–		86,162					(4,017)
Interest income on financial assets at fair value through profit or loss	(349)	–							(349)
Interest income on bank deposits	(1,208)	(7,243)							(8,451)
Allowance for obsolete inventories	9,454	–							9,454
Loss/(gain) on early repayment of a debt investment at fair value through other comprehensive income	(1,179)	3,776			(383)				2,214
Loss on disposal of property, plant and equipment	4	410							414
Depreciation and amortization	51,323	19,869							71,192
Impairment loss/(reversal of impairment losses) on financial assets, net	(82,767)	1,642					83,895		2,770
Impairment of goodwill	7,700	–							7,700
Reversal of impairment losses of items of property, plant and equipment	(1,495)	–							(1,495)
Written down on stock of properties	–	66,371							66,371
Written off of investment properties	–	1,991							1,991
Gain on bargain purchase	–	–	(273,543)						(273,543)
Gain on disposal of subsidiaries	–	(39,846)							(39,846)
	(69,865)	157,986							81,801

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments					Unaudited
	for the	for the						pro forma of
	year ended	year ended						the Enlarged
	31 March	31 December						Group
	2019	2018						Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note 1</i>	<i>Note 1</i>	<i>Note 2(b)</i>	<i>Note 2(d)</i>	<i>Note 2(e)</i>	<i>Note 2(f)</i>	<i>Note 2(g)</i>	<i>Note 2(i)</i>
Decrease in inventories	12,213	-						12,213
Decrease in trade and bills receivables	17,482	-						17,482
Increase in trade and other receivables	-	(68,185)						(68,185)
Increase in loan receivables	-	(2,101)						(2,101)
Decrease in stock of properties	-	99,997						99,997
Decrease in prepayments, deposits, and other receivables	40,289	-						40,289
Decrease in trade payables	(24,694)	-						(24,694)
Increase in contract liabilities	-	274,760						274,760
(Decrease)/increase in other payables and accruals	(2,419)	20,839						18,420
Cash generated from/(used in) operations	(26,994)	483,296						449,982
Interest received on bank deposits	1,208	7,500						8,708
Hong Kong profits tax paid	(847)	-						(847)
PRC enterprise income tax paid	-	(32,212)						(32,212)
Net cash flows generated from/(used in) operating activities	(26,633)	458,584						425,631

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments					Unaudited
	for the	for the						pro forma of
	year ended	year ended						the Enlarged
	31 March	31 December						Group
	2019	2018						Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 1	Note 2(b)	Note 2(d)	Note 2(e)	Note 2(f)	Note 2(g)	Note 2(i)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of items of property, plant and equipment	(15,400)	(11,072)						(26,472)
Purchase of financial assets at fair value through profit or loss	(18,786)	-						(18,786)
Purchase of financial assets at fair value through other comprehensive income	(163,146)	-						(163,146)
Proceeds from redemption of a debt investment at fair value through other comprehensive income	220,000	-		(220,000)				-
Investments in associates	(17,540)	-						(17,540)
Decrease in a loan receivable	100,000	-						100,000
Interest received from a loan receivable and debt investments	101,018	-		(78,692)				22,326
Dividends received from financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss	3,145	-						3,145
Dividends received from associates	1,054	-						1,054
Acquisitions of subsidiaries that are not a business, net	(311,662)	-						(311,662)
Deposits paid for acquisition of items of property, plant and equipment	(1,570)	-						(1,570)
Proceeds from disposal of financial assets at fair value through profit or loss	-	3,385						3,385
Proceeds from disposal of property, plant and equipment	-	347						347
Proceeds from investment properties, net	-	46,630						46,630
Proceeds from disposal of subsidiaries	-	82,432						82,432
Net cash flows from/(used in) investing activities	(102,887)	121,722						(279,857)

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	The Group	CAP Group	Pro forma adjustments					Unaudited
	for the	for the						pro forma of
	year ended	year ended						the Enlarged
	31 March	31 December						Group
	2019	2018						Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 1	Note 2(b)	Note 2(d)	Note 2(e)	Note 2(f)	Note 2(g)	Note 2(i)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Shares repurchase	(9,956)	-						(9,956)
New bank borrowings	190,000	151,440						341,440
Repayments of bank borrowings	(264,790)	(340,873)						(605,663)
Repayments of other borrowings	-	(22,773)						(22,773)
Repayment of bonds redemption settlement	-	(256,337)		176,000				(80,337)
Net proceeds from right issue	-	(323)						(323)
Net cash flow from acquisition of non-wholly owned subsidiaries	-	1,933						1,933
Interest paid	(28,553)	(161,524)		77,788		9,301		(102,988)
Net cash used in financing activities	(113,299)	(628,457)						(478,667)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>								
Cash and cash equivalents at beginning of year	420,849	513,827	(524,825)					409,851
Effect of foreign exchange rate changes, net	(6,821)	22,739						15,918
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>171,209</b>	<b>488,415</b>						<b>92,876</b>

## NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

## Notes:

1. The financial information of the Group is extracted from the Company's published interim results announcement for the six months ended 30 September 2019 and the annual report for the year ended 31 March 2019. The financial information of CAP Group is extracted from CAP's published interim report for the six months ended 30 June 2019 and the annual report for the year ended 31 December 2018.
2. Notes to the pro forma adjustments
  - (a) The adjustment represents the fair value adjustment of identified assets and liabilities arising from purchase price allocation upon completion of the Proposed Transactions. The identifiable assets and liabilities of the CAP Group will be accounted for in the consolidated financial statements of the Enlarged Group at their fair values under the acquisition method of accounting in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 3 (Revised) *Business Combinations*. For the illustrative purpose of the unaudited pro forma consolidated statement of financial position of the Enlarged Group, the allocation of the purchase consideration is determined based on the estimates of the fair values of the identifiable assets and liabilities of the CAP Group made by the directors of the Company, and by reference to a valuation report issued by RHL Appraisal Limited (the "Valuer"), an independent professionally qualified valuer, to measure the fair value of each of the identified assets and liabilities of CAP Group as at 30 June 2019.

The fair values of the identifiable assets and liabilities of CAP Group, as extracted from the valuation reports prepared by the Valuer are as follow:

	Carrying value as at 30 June 2019 HK\$'000	Adjustments HK\$'000	Fair value as at 30 June 2019 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	50,573	(1,905)	48,668
Investment properties	2,844,470		2,844,470
Intangible assets	3,031	5,018	8,049
Right-of-use assets	20,451	(1,636)	18,815
Total non-current assets	<u>2,918,525</u>		<u>2,920,002</u>
<b>CURRENT ASSETS</b>			
Stock of properties	1,831,105	173,239	2,004,344
Trade and bills receivables	8,232		8,232
Loans and interest receivables	39,423		39,423
Prepayments, deposits and other receivables	224,183		224,183
Financial assets at fair value through profit or loss	2,259		2,259
Cash and cash equivalents	397,440		397,440
Total current assets	<u>2,502,642</u>		<u>2,675,881</u>

**APPENDIX I**
**UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	Carrying value as at <b>30 June 2019</b> <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	Fair value as at <b>30 June 2019</b> <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	706,443	35	706,478
Contract liabilities	671,828		671,828
Bonds	803,462	10,132	813,594
Promissory notes	376,000		376,000
Lease liabilities	2,584		2,584
Interest-bearing bank and other borrowings	195,889		195,889
Tax payable	75,641		75,641
	<u>2,831,847</u>		<u>2,842,014</u>
Total current liabilities	<u>2,831,847</u>		<u>2,842,014</u>
<b>NET CURRENT LIABILITIES</b>	<u>(329,205)</u>		<u>(166,133)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>2,589,320</u>		<u>2,753,869</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	140,989		140,989
Bonds	164,315	10,738	175,053
Lease liabilities	18,264		18,264
Convertible bonds	239,348	9,518	248,866
Deferred tax liabilities	420,433	64,514	484,947
	<u>983,349</u>		<u>1,068,119</u>
Total non-current liabilities	<u>983,349</u>		<u>1,068,119</u>
Net assets	<u>1,605,971</u>		<u>1,685,750</u>
Non-controlling interests	<u>392,469</u>	47,987	<u>440,456</u>

- (b) The adjustment represents the elimination of the share capital of CAP, CN, derivative financial instruments associated with the CN acquired and pre-acquisition reserves of CAP Group and recognition of non-controlling interests, assuming that the Proposed Transactions had taken place on 30 September 2019 or 1 April 2018, as appropriate. The Proposed Transactions will result in the Group's interest in CAP raise beyond 51% and as a result, the assets and liabilities of CAP Group will be consolidated into the consolidated statement of financial position of the Group.

A pro forma gain on bargain purchase arising on the date of acquisition of CAP Group is calculated as follows:

	<i>HK\$'000</i>	<i>HK\$'000</i>
Aggregated cash consideration for the Proposed Transactions		
Cash consideration for the acquisition of CAP shares	496,596	
Cash consideration for the acquisition of CN	28,229	524,825
	<u>524,825</u>	
Less: Pro forma assumed fair value of the identifiable net assets of the CAP Group	1,245,294	
Add: CN acquired	116,615	
Less: derivative financial instruments associated with the CN acquired	(1,021)	
Less: recognition of non-controlling interest	(562,520)	798,368
	<u>798,368</u>	
Gain on bargain purchase		<u>273,543</u>

The gain on bargain purchase arising from the Proposed Transactions is credited to profit or loss. Actual goodwill or gain on bargain purchase arising from the Proposed Transactions depend on fair value of net identifiable assets of the CAP Group at the completion date and shall be different to the amount calculated in the above table.

- (c) The adjustments represent the share of profit or loss and other comprehensive income attributable to non-controlling interests of CAP.
- (d) The adjustments represent the elimination of the CAP Bonds held by the Group, outstanding interest associated with CAP Bonds held by the Group as at 30 September 2019 and transactions between the Group and CAP Group during the year ended 31 March 2019 and 31 December 2018, respectively.
- (e) The adjustments represent the reversal of the Group's gain and CAP Group's loss on early redemption of CAP Bonds.
- (f) The adjustments represent the reversal of the changes in fair value of derivative financial liabilities related to the CN and the elimination of CN interest expenses of CAP Group for the year ended 31 December 2018.
- (g) The adjustments represent the reversal of impairment of financial assets and the changes in fair value of financial assets at fair through other comprehensive income of the Group for the year ended 31 March 2019 associated with the bonds issued by CAP.
- (h) The adjustments represents the reclassification of CAP Bonds of a principal amount of HK\$89,000,000 held by Double Leads Investments Limited ("**Double Leads**"), a subsidiary of Wang On Group Limited, the ultimate holding company of the Group, to long term other loans pursuant to the loan agreement dated 26 September 2019 entered into between CAP and Double Leads. Double Leads agree to grant a loan of HK\$89,000,000 for a period of three years to refinance the outstanding principal of CAP Bonds held by Double Leads.
- (i) This adjustment represents the estimated direct legal and professional costs related to the Proposed Transactions, among others, the preparation of this supplemental circular, which amounts to approximately HK\$6,320,000.
- (j) No other adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group and CAP Group entered into subsequent to 30 September 2019 and 30 June 2019, respectively.



**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT IN THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

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



22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

11 December 2019

To the Directors of Wai Yuen Tong Medicine Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wai Yuen Tong Medicine Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) as enlarged by the proposed acquisition of a maximum of 54.83% equity interest in China Agri-Products Exchange Limited (“**CAP**”) and its subsidiaries (collectively, “**CAP Group**”), proposed acquisition of a maximum of 46.86% of the outstanding principal amount of the convertible notes of CAP and provision of loans of a principal amount of HK\$621,000,000 to CAP for a period of three years for the purpose of refinancing the outstanding amount of the five-year 10.0% coupon bonds issued by CAP on 28 November 2014 held by the Group (collectively, the “**Proposed Transactions**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only.

The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as enlarged by the Proposed Transactions (the “**Enlarged Group**”) as at 30 September 2019, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the pro forma consolidated statement of cash flows of the Enlarged Group for the year ended 31 March 2019 and the related notes set out on pages I-2 to I-14 of the circular dated 11 December 2019 (the “**Circular**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page I-1 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Transactions on the Group’s financial position as at 30 September 2019 and the Group’s financial performance and cash flows for the year ended 31 March 2019 as if the Proposed Transactions had taken place on 30 September 2019 and 1 April 2018, respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors from the Company’s published interim results announcement for the six months ended 30 September 2019 and the annual report for the year ended 31 March 2019, respectively. Information about the CAP Group’s financial position as at 30 June 2019, financial performance and cash flows for the year ended 31 December 2018 has been extracted by the Directors from CAP’s published interim report for the six months ended 30 June 2019 and the annual report for the year ended 31 December 2018, respectively.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

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

**Our independence and quality control**

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

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' responsibilities**

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

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

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# NOTICE OF THE ADJOURNED SGM

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## WAI YUEN TONG MEDICINE HOLDINGS LIMITED (位元堂藥業控股有限公司\*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 897)

### NOTICE OF ADJOURNED SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an adjourned special general meeting (the “**Adjourned SGM**”) of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司\*) (the “**Company**”) will be held at 20/F., Alexandra House, 18 Chater Road, Central, Hong Kong on Tuesday, 31 December 2019 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolution as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

1. “**THAT:**

- (a) the (i) conditional voluntary partial cash offer to be made by Kingston Securities Limited (“**Kingston Securities**”) on behalf of Goal Success Investments Limited (“**Offeror**”), an indirect wholly-owned subsidiary of the Company, to the shareholders of China Agri-Products Exchange Limited (“**CAP**”) to acquire such number of ordinary shares of HK\$0.01 each in the issued share capital of CAP (“**CAP Shares**”) which would result in the Offeror and parties acting in concert with it holding a maximum of 75% of the CAP Shares in issue (the “**Partial Share Offer**”); and (ii) conditional voluntary partial cash offer to be made by Kingston Securities on behalf of the Offeror to the holders of the 7.5% convertible notes due 2021 issued by CAP on 19 October 2016 (the “**Convertible Notes**”) to acquire a maximum of 54.83% of the outstanding principal amount of the Convertible Notes subject to adjustment in the event of a change in the issued share capital of CAP (the “**Partial CN Offer**”, and together with the Partial Share Offer, the “**Partial Offers**”), the details of which are set out in the announcement dated 26 September 2019 jointly issued by the Company, the Offeror, Wang On Group Limited, CAP and Easy One Financial Group Limited, and the transactions contemplated thereunder, be and are hereby approved and confirmed; and

\* For identification purpose only

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## NOTICE OF THE ADJOURNED SGM

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- (b) any director of the Company be and is authorised to take, on behalf of the Company, all steps necessary or expedient in their opinion to implement and/or give effect to the terms of the Partial Offers and the transactions contemplated thereunder.”

By Order of the board of  
**WAI YUEN TONG MEDICINE HOLDINGS LIMITED**  
(位元堂藥業控股有限公司\*)  
**Mak Yuen Ming, Anita**  
*Company Secretary*

Hong Kong, 11 December 2019

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
Suite 3101, 31/F., Skyline Tower  
39 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

*Notes:*

1. Detailed information regarding the resolution to be proposed at the Adjourned SGM is contained in the Company’s circular dated 11 November 2019, as supplemented by the Company’s circular dated 11 December 2019 (the “**Supplemental Circular**”).
2. The special general meeting of the Company (the “**Original SGM**”) was held on 27 November 2019. As a result of the supplemental information disclosed in the Supplemental Circular, the Original SGM was adjourned for re-convening on Tuesday, 31 December 2019, as notified to members of the Company under this notice.
3. A second form of proxy (the “**Second Proxy Form**”) containing the resolution to be proposed at the Adjourned SGM is enclosed with the Supplemental Circular. Please refer to the sections headed “Notice of the Adjourned SGM” and “Second Proxy Form” on pages 7 and 8 of the Supplemental Circular for arrangements on the completion and submission of the Second Proxy Form.
4. Please refer to the notice of the Original SGM for details on the eligibility for attending the Adjourned SGM, proxy and other relevant matters.

\* *For identification purpose only*