
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, 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 circular and the accompanying form of proxy 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)

(1) POSSIBLE MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE EFFECTIVE DISPOSAL OF THE COMPANY'S ENTIRE SHAREHOLDING IN EASY ONE FINANCIAL GROUP LIMITED; AND (2) NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders



Alliance Capital Partners Limited
同人融資有限公司

A letter from the Board is set out on pages 8 to 23 of this circular.

A notice convening the SGM to be held at Grand Ballroom, Lower Ground Level, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong on Wednesday, 26 August 2020 at 11:30 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you are able to attend and vote in person at the SGM, please complete the accompanying form of proxy 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 SGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Taking into account the recent development of the epidemic caused by the coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the SGM to protect attendants from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (ii) every attending Shareholder or proxy is required to wear a surgical mask throughout the SGM; and
- (iii) no food or drink will be served at the SGM and there will be measures in place (including any necessary partitioning arrangements) for the purposes of complying with the relevant provisions under the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong).

Furthermore, the Company wishes to advise all of the Shareholders, particularly any Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the SGM as a proxy to attend and vote on the resolution, instead of attending the SGM in person. Physical attendance by a Shareholder is not necessary for the purpose of exercising voting rights.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the SGM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	8
Letter from the Independent Board Committee	24
Letter from the Independent Financial Adviser	26
Appendix I — Financial information of the Group	I-1
Appendix II — Financial information of the WOG Group	II-1
Appendix III — Unaudited pro forma consolidated financial information of the Group	III-1
Appendix IVA — Valuation reports of the properties of the WOG Subsidiaries	IVA-1
Appendix IVB — Valuation report of the properties of the WOP Group	IVB-1
Appendix IVC — Valuation report of the properties of the WYT Group	IVC-1
Appendix IVD — Valuation report of the properties of the CAP Group	IVD-1
Appendix V — General Information	V-1
Notice of the SGM	SGM-1

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement”	the announcement dated 4 May 2020 issued jointly by Caister, EOG, WOG and the Company in relation to, among other things, the Proposal, the Scheme and the possible major and connected transaction for the Company in relation to the WYT Disposal
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Authorisations”	all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda
“Bermuda Court”	the Supreme Court of Bermuda
“Bermuda Court Rules”	the Rules of the Supreme Court 1985 of Bermuda Court
“Board”	the board of directors of the Company
“Caister”	Caister Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which was beneficially owned by Mr. Tang as of the Latest Practicable Date
“Cancellation Consideration”	in respect of one Scheme Share, an amount equal to the aggregate of (i) the closing price of eight (8) Consideration Shares as at the relevant day; and (ii) the Scheme Cash Consideration
“CAP”	China Agri-Products Exchange Limited, an exempted company incorporated in Bermuda with limited liability, the ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 0149), a 53.37%-owned listed subsidiary of the Company
“CAP Group”	CAP and its subsidiaries

DEFINITIONS

“Company”	Wai Yuen Tong Medicine Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 897)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as described in the section headed “C. The Proposal and the Option Offer – Conditions to the Proposal and the Scheme” of this circular
“Consideration Shares”	WOG Shares held by Caister which will be transferred to the Scheme Shareholders as part of the Cancellation Consideration upon the Scheme becoming effective on the basis of eight (8) WOG Shares per Scheme Share
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Bermuda Court at which the Scheme (with or without modification) will be voted upon, or at any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Scheme Shareholder(s)”	Scheme Shareholder(s) other than Caister and the Offeror Concert Parties
“Dividend Adjustment”	the amount of any dividend or other distributions (other than any dividend that EOG may declare for the financial year ended 31 March 2020) made or paid in respect of the Scheme Shares, which Caister reserves the right to deduct from the Scheme Cash Consideration after consultation with the Executive
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Bermuda Companies Act
“EOG”	Easy One Financial Group Limited, an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 221)
“EOG Board”	the board of directors of EOG

DEFINITIONS

“EOG Group”	EOG and its subsidiaries
“EOG Option(s)”	share option(s) granted under the EOG Share Option Scheme from time to time. As at the Latest Practicable Date, there were outstanding EOG Options exercisable into 17,800,000 EOG Shares
“EOG Optionholder(s)”	the holder(s) of the EOG Option(s)
“EOG SGM”	a special general meeting of EOG Shareholders (including any adjournment thereof) to be convened for the purpose of considering, and if thought fit, approving, among other things, (i) the allotment and issue of one EOG Share to Caister or its designated wholly-owned subsidiary; (ii) the reduction of the issued share capital of EOG by cancelling and extinguishing the Scheme Shares; and (iii) the allotment and issue of an equivalent number of EOG Shares immediately thereafter to Caister and/or its designated wholly-owned subsidiary(ies)
“EOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of EOG
“EOG Share Option Scheme”	the share option scheme of EOG adopted on 21 August 2012
“EOG Shareholder(s)”	the holder(s) of EOG Share(s)
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company established pursuant to Chapter 14A of the Listing Rules to advise the Independent Shareholders in respect of the WYT Disposal

DEFINITIONS

“Independent Financial Adviser”	Alliance Capital Partners Limited, a corporation licensed by the SFC to carry on business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to provide recommendations to the Independent Board Committee and the Independent Shareholders in relation to the terms of the WYT Disposal
“Independent Shareholder(s)”	Shareholder(s) other than Rich Time
“Independent WOG Shareholder(s)”	WOG Shareholder(s) other than Mr. Tang, Mr. Tang’s spouse, Caister, Accord Power Limited, Suntech Investments Limited (an indirect wholly-owned subsidiary of the Company), Billion Trader Investments Limited (an indirect wholly-owned subsidiary of EOG) and Kingston Securities Limited (a fellow subsidiary of Kingston) which respectively held approximately 0.16%, 0.16%, 28.39%, 28.68%, 2.43%, 3.05% and 0.00% of the issued share capital in WOG as of the Latest Practicable Date
“Kingston”	Kingston Corporate Finance Limited, a corporation licensed by the SFC to carry on business in Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to Caister in respect of the Proposal
“Last Trading Day”	4 May 2020, being the last trading day prior to the publication of the Announcement
“Latest Practicable Date”	22 July 2020, being the latest date by which certain information in this circular is ascertained prior to publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Ching Ho, the sole director and the sole shareholder of Caister as at the Latest Practicable Date and an executive director of the Company and WOG
“Mr. Tang’s spouse”	Ms. Yau Yuk Yin, the spouse of Mr. Tang

DEFINITIONS

“Offeror Concert Party(ies)”	parties acting in concert or presumed to be acting in concert with Caister, including Mr. Tang, Mr. Tang’s spouse, Accord Power Limited, the WOG Group, the Group (including Hearty Limited and Suntech Investments Limited), the EOG Group (including Billion Trader Investments Limited) and Kingston (including Kingston Securities Limited)
“Option Offer”	the offer to be made by or on behalf of Caister to the EOG Optionholders
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposal”	the proposal for the privatisation of EOG by Caister by way of the Scheme
“Record Date”	the record date for determining entitlements under the Proposal
“Relevant Authorities”	competent governments and/or governmental bodies, regulatory bodies, courts or institutions
“Rich Time”	Rich Time Strategy Limited, an indirect wholly-owned subsidiary of WOG which beneficially and directly held approximately 58.08% of the issued share capital in the Company as of the Latest Practicable Date
“Scheme”	a scheme of arrangement under Section 99 of the Bermuda Companies Act involving the cancellation of all the Scheme Shares and the simultaneous issuance of an equivalent number of new EOG Shares to Caister and/or its designated wholly-owned subsidiary(ies)
“Scheme Cash Consideration”	the cash amount of HK\$0.3 per Scheme Share, less the Dividend Adjustment (if any), which Scheme Shareholders will receive, as part of the Cancellation Consideration, for the cancellation of their Scheme Shares under the Scheme

DEFINITIONS

“Scheme Share(s)”	EOG Share(s) other than those held by Caister directly and/or indirectly through its wholly-owned subsidiary(ies). As at the Latest Practicable Date, Caister did not hold any EOG Shares directly and/or indirectly through its wholly-owned subsidiary(ies). As referred to in Condition (c) in the section headed “C. The Proposal and the Option Offer – Conditions to the Proposal and the Scheme” of this circular, it is expected that as part of the implementation of the Proposal, one EOG Share will be allotted and issued to Caister or its designated wholly-owned subsidiary, and immediately after cancellation of 556,432,500 EOG Shares, the same number of new EOG Shares will be allotted and issued to Caister and/or its designated wholly-owned subsidiary(ies). These 556,432,501 EOG Shares expected to be issued will not form part of the Scheme Shares
“Scheme Shareholder(s)”	the holder(s) of Scheme Share(s) as at the Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting (including any adjournment thereof) of the Shareholders to be convened and held for the purpose of considering, and if thought fit, approving, among other things, the WYT Disposal and the transactions contemplated thereunder, the notice of which meeting is set out in this circular
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“WOG”	Wang On Group Limited, an exempted company incorporated in Bermuda with limited liability, the ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1222), a holding company of the Company
“WOG Group”	WOG and its subsidiaries
“WOG IBC”	the independent board committee of WOG established pursuant to Chapter 14A of the Listing Rules to advise the Independent WOG Shareholders in respect of the WYT Disposal
“WOG SGM”	a special general meeting (including any adjournment thereof) of the WOG Shareholders to be convened and held for the purpose of considering, and if thought fit, approving, among other things, the WYT Disposal and the transactions contemplated thereunder
“WOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WOG
“WOG Shareholder(s)”	the holder(s) of the WOG Share(s)
“WOG Subsidiary(ies)”	the WOG Group (other than the WYT Group, the WOP Group and the CAP Group)
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability, the ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1243), a 75%-owned listed non wholly-owned subsidiary of WOG
“WOP Group”	WOP and its subsidiaries
“WYT Disposal”	the possible effective disposal by the Company of all EOG Shares held by it or its subsidiaries to Caister at the Cancellation Consideration through the cancellation of all such EOG Shares in exchange for Caister paying to the Company the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$48,515,587.50 and 1,293,749,000 Consideration Shares, and the acquisition of the said 1,293,749,000 Consideration Shares as a result
“WYT Group”	the Group (other than the CAP Group)
“%”	per cent.

LETTER FROM THE BOARD



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

24 July 2020

To Independent Shareholders

Dear Sir or Madam,

**(1) POSSIBLE MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE EFFECTIVE DISPOSAL OF THE COMPANY'S
ENTIRE SHAREHOLDING IN EASY ONE FINANCIAL GROUP LIMITED;**

AND

(2) NOTICE OF SPECIAL GENERAL MEETING

A. INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with further information on the WYT Disposal and notice of the SGM.

* *For identification purpose only*

LETTER FROM THE BOARD

B. WYT DISPOSAL

On 4 May 2020, Caister requested the EOG Board to put forward the Proposal to the Scheme Shareholders for the privatisation of EOG by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act. Subject to the fulfilment or waiver (as applicable) of the Conditions, which includes, among others, the passing of an ordinary resolution by the Independent Shareholders at the SGM to approve the WYT Disposal, the Proposal and the Scheme will become effective and binding on EOG and all EOG Shareholders, including the Company, on the Effective Date. Accordingly, the Proposal, as and when it is implemented, will involve the Company effectively disposing of 161,718,625 EOG Shares, representing its entire shareholding in EOG and approximately 29.06% of the total issued share capital of EOG, to Caister at the Cancellation Consideration through the cancellation of all such EOG Shares in exchange for Caister paying to the Company the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$48,515,587.50 and 1,293,749,000 Consideration Shares. The original acquisition costs to Caister in respect of the aforesaid 1,293,749,000 Consideration Shares was approximately HK\$297.6 million. The Announcement states that the Cancellation Consideration has been determined on a commercial basis after taking into account the historical prices of the EOG Shares and WOG Shares as quoted on the Stock Exchange, and premium adopted in other privatisation transactions in Hong Kong in recent years.

C. THE PROPOSAL AND THE OPTION OFFER

Conditions to the Proposal and the Scheme

The Proposal is, and the Scheme will become effective and binding on EOG and all EOG Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions on or before 31 December 2020 (or such later date as Caister and EOG may agree or, to the extent applicable, as the Bermuda Court may direct), failing which the Proposal and the Scheme will lapse:

- (a) the approval of the Scheme (by way of poll) by a majority in number of Scheme Shareholders representing not less than three-fourths in value of the EOG Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by at least 75% of the votes attaching to the EOG Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme is not more than 10% of the votes attaching to all the EOG Shares held by all the Disinterested Scheme Shareholders;

LETTER FROM THE BOARD

- (c) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the EOG Shareholders present and voting in person or by proxy at the EOG SGM to approve, among other things, (i) the allotment and issue of one EOG Share to Caister or its designated wholly-owned subsidiary; (ii) the reduction of the issued share capital of EOG by cancelling and extinguishing the Scheme Shares; and (iii) the allotment and issue of an equivalent number of EOG Shares immediately thereafter to Caister and/or its designated wholly-owned subsidiary(ies);
- (d) the sanction of the Scheme (with or without modifications) by the Bermuda Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Bermuda Court for registration;
- (e) the necessary compliance with the procedural requirements and conditions (if any) of Section 46(2) of the Bermuda Companies Act in relation to the reduction of the issued share capital of EOG referred to in Condition (c) above;
- (f) the passing of an ordinary resolution by the Independent Shareholders at the SGM to approve the WYT Disposal;
- (g) the passing of an ordinary resolution by the Independent WOG Shareholders at the WOG SGM to approve the WYT Disposal;
- (h) all Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong and any other relevant jurisdictions;
- (i) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (j) if required, the obtaining by Caister of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary for the performance of the Scheme under applicable laws and regulations;

LETTER FROM THE BOARD

- (k) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of Caister to proceed with the Proposal or the Scheme; and
- (l) since the date of the Announcement, there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the EOG Group to an extent which is material in the context of the EOG Group taken as a whole or in the context of the Proposal.

Withdrawal of listing of the EOG Shares

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled in exchange for the payment of the Cancellation Consideration (comprising the Scheme Cash Consideration and the Consideration Shares);
- (b) on the Effective Date, EOG will issue one EOG Share at par to Caister or its designated wholly-owned subsidiary, and the issued share capital of EOG will be reduced by cancelling and extinguishing all the Scheme Shares. Immediately after such reduction, the issued share capital of EOG will be restored to its former amount by the issuance at par to Caister and/or its designated wholly-owned subsidiary(ies), credited as fully paid, of the same number of EOG Shares as the number of Scheme Shares cancelled. The reserve created in the books of account of EOG as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new EOG Shares so issued, credited as fully paid, to Caister and/or its designated wholly-owned subsidiary(ies);
- (c) EOG will become a direct or indirect wholly-owned subsidiary of Caister; and
- (d) EOG will apply to the Stock Exchange for the withdrawal of listing of the EOG Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules so that such withdrawal is to take place immediately following the Effective Date.

The listing of the EOG Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or if the Proposal otherwise lapses.

LETTER FROM THE BOARD

Cancellation Consideration

Subject to the Scheme becoming effective, all the Scheme Shares will be cancelled in exchange for the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$0.3 per Scheme Share and the Consideration Shares on the basis of eight (8) Consideration Shares (as held by Caister) for each Scheme Share. On the Effective Date and immediately prior to the cancellation of the Scheme Shares, EOG will issue one EOG Share at par to Caister or its designated wholly-owned subsidiary.

If, after the Latest Practicable Date and prior to the Effective Date, any dividend or other distributions (other than any dividend that EOG may declare for the financial year ended 31 March 2020) is made or paid in respect of the Scheme Shares, Caister reserves the right to reduce the Scheme Cash Consideration and the price for the Option Offer by an amount equal to the amount of such dividend or other distributions after consultation with the Executive. Apart from any dividend that EOG may or may not declare for the financial year ended 31 March 2020, the EOG Board does not intend to declare or pay any interim dividend or other distribution prior to the close of the offer period (within the meaning of the Takeovers Code) in relation to the Proposal.

The Cancellation Consideration (taking into account the closing price of the Consideration Shares as at the Last Trading Day) of HK\$0.924 per Scheme Share represents:

- (a) a premium of approximately 44.4% over the closing price of HK\$0.640 per EOG Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 94.5% over the average closing price of HK\$0.475 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 90.1% over the average closing price of approximately HK\$0.486 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 98.3% over the average closing price of HK\$0.466 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 106.3% over the average closing price of approximately HK\$0.448 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (f) a premium of 23.2% over the closing price of HK\$0.750 per EOG Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (g) a discount of approximately 52.8% to the audited consolidated net asset value of approximately HK\$1.956 per EOG Share as at 31 March 2020, calculated based on the audited consolidated net asset value of the EOG Group attributable to the EOG Shareholders of approximately HK\$1,088,305,000 as at 31 March 2020 divided by the total number of 556,432,500 EOG Shares in issue as at the Latest Practicable Date.

No increase in the Cancellation Consideration

The Cancellation Consideration, including the Scheme Cash Consideration and the number of Consideration Shares to be transferred per Scheme Share under the Scheme, will not be increased, and Caister does not reserve the right to do so.

The Option Offer

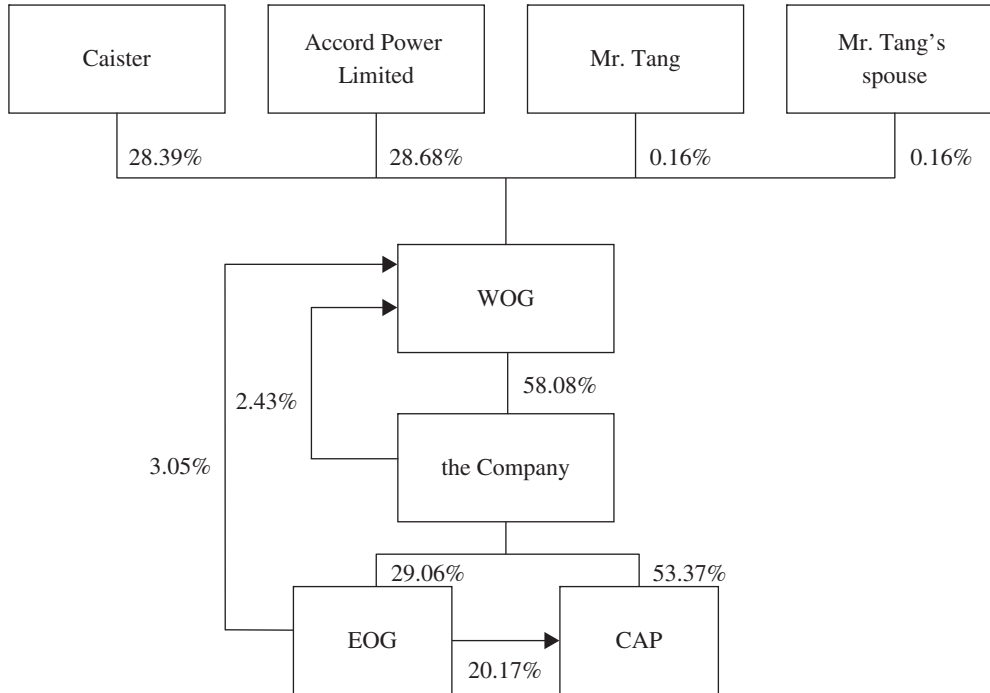
Caister has confirmed that it will make (or procure to be made on its behalf) an appropriate offer to the EOG Optionholders in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective.

LETTER FROM THE BOARD

Shareholding structure of EOG, the Company, WOG and CAP

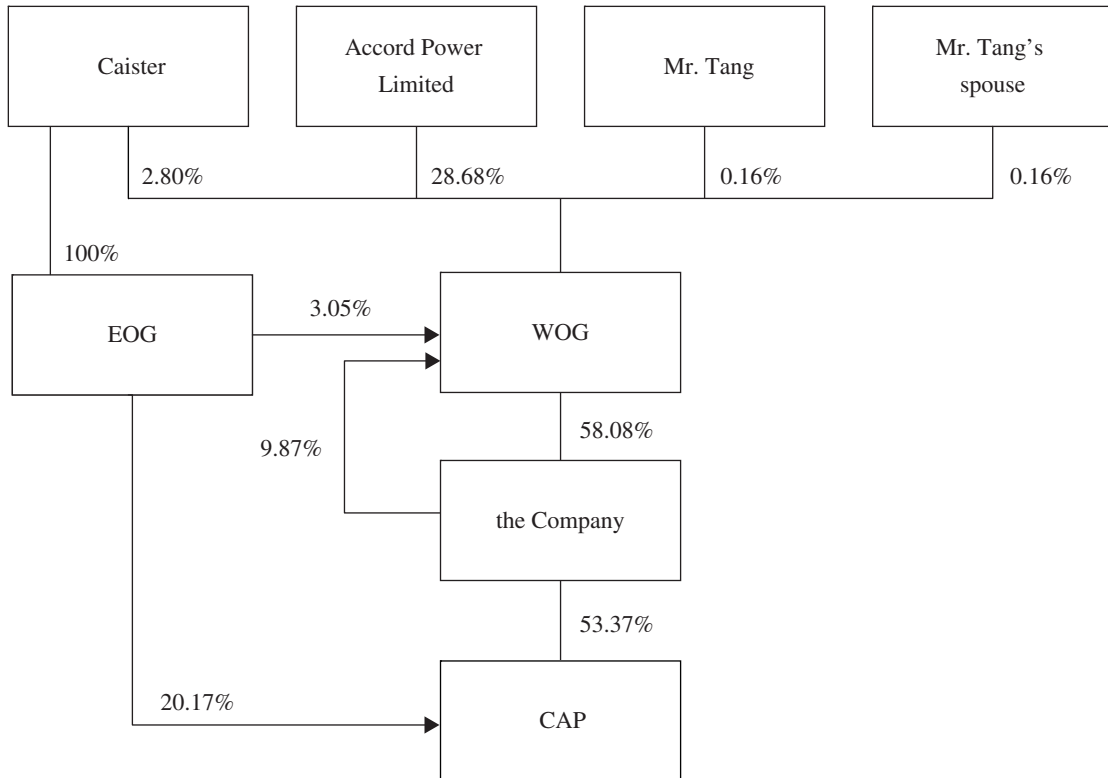
The diagrams below illustrate the simplified shareholding structure of EOG, the Company, WOG and CAP as at the Latest Practicable Date and immediately upon completion of the Scheme, assuming there are no changes in the shareholding of the Company, WOG, EOG and CAP between the Latest Practicable Date and the Record Date:

As at the Latest Practicable Date:



LETTER FROM THE BOARD

Immediately upon completion of the Scheme:



LETTER FROM THE BOARD

Notes:

- (i) A summary of the WOG Shares directly held by Caister and the Offeror Concert Parties (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Proposal (assuming no other changes to the issued share capital of WOG between the Latest Practicable Date and the Effective Date), is set out as follows:

Name	No. of WOG Shares directly held as at the Latest Practicable Date	Approximate percentage in the issued share capital of WOG as at the Latest Practicable Date	No. of WOG Shares directly held immediately upon completion of the Proposal	Approximate percentage in the issued share capital of WOG immediately upon completion of the Proposal
Caister	4,938,375,306	28.39%	486,915,306	2.80%
Accord Power Limited*	4,989,928,827	28.68%	4,989,928,827	28.68%
Mr. Tang	28,026,339	0.16%	28,026,339	0.16%
Mr. Tang's spouse	28,026,300	0.16%	28,026,300	0.16%
Suntech Investments Limited (an indirect wholly-owned subsidiary of the Company, which was indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date)	423,000,000	2.43%	432,475,200	2.49%
Hearty Limited (an indirect wholly-owned subsidiary of the Company, which was indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date)	–	–	1,284,273,800	7.38%
Billion Trader Investments Limited (an indirect wholly-owned subsidiary of EOG)	531,000,000	3.05%	531,000,000	3.05%
Kingston Securities Limited (a fellow subsidiary of Kingston, which is the financial adviser to Caister)	540	0.00%	1,116	0.00%
Total	10,938,357,312	62.87%	7,780,646,888	44.72%

* *As at the Latest Practicable Date, the entire issued share capital of Accord Power Limited was owned by Fiducia Suisse SA in its capacity as the trustee of the Tang's Family Trust, of which Mr. Tang is the founder.*

- (ii) Immediately upon completion of the Proposal and assuming there being no changes to WOG's issued share capital since the Latest Practicable Date, WOG will be held by Caister, Accord Power Limited, Mr. Tang, Mr. Tang's spouse, the Company, EOG and Kingston Securities Limited as to approximately 2.80%, 28.68%, 0.16%, 0.16%, 9.87%, 3.05% and 0.00% respectively, or 44.72% in the aggregate.
- (iii) The shareholding percentages in the above diagrams have been rounded to two decimal places for ease of illustration only. Also, certain wholly-owned intermediate holding companies are not shown in the above diagrams.

LETTER FROM THE BOARD

D. USE OF PROCEEDS FROM THE WYT DISPOSAL

If and when the WYT Disposal is proceeded with, the aggregate net proceeds expected to be received by the Company will be approximately HK\$46.0 million based on the latest shareholding of the Company in EOG and the Scheme Cash Consideration with professional fees deducted. The Company intends to utilise the net proceeds to fund its general working capital requirements. In respect of the 1,293,749,000 Consideration Shares expected to be acquired by the Company, the Company intends to hold the Consideration Shares as a long term stable source of dividend income, which is consistent with the Company's investment strategy for the WOG Shares currently held by it.

E. REASONS FOR AND BENEFITS OF THE WYT DISPOSAL

As disclosed in the Announcement, the EOG Group has experienced unprecedented and significant challenges in the finance and brokerage services industries over the past year due to the social protest movements and COVID-19 pandemic and its listing status no longer offers a viable source of funding to develop its business. The WYT Disposal will provide the Company an opportunity to realise its investment in the EOG Group without having to suffer any illiquidity discount. Notwithstanding that the Company is expected to (subject to audit) recognise a loss of approximately HK\$160.9 million calculated with reference to the audited carrying value of its investment in EOG, the estimated transaction costs and the Cancellation Consideration of HK\$0.924 (calculated based on the closing price of the Consideration Shares as at the Last Trading Day) represents significant premium over the average closing prices per EOG Share as quoted on the Stock Exchange for various periods for the 120 trading days up to and including the Last Trading Day ranging from approximately 90.1% to 106.3%. In addition, the Company may benefit from potentially higher dividend income under the Proposal. Based on the actual cash dividend track record of WOG and EOG since 2003, the Company would have received a substantially higher dividend income by holding eight (8) WOG Shares compared to holding one Scheme Share. Given the equally low liquidity of the EOG Shares and the WOG Shares, the potentially higher dividend income expected to be generated from the Consideration Shares will at least bring a stable income stream to the Company, compared to the EOG Shares currently held by the Company. As a result, the implementation of the Proposal will provide the Company the opportunity to protect its interest and maximise its position as dire market warnings are piling up.

Although the WOG Group is also affected by the social protest movements and COVID-19 pandemic, the impact on its financial and operating performance is expected to be less severe due to its diverse business portfolio and strong financial position. While the continuous social unrest and pandemic have unavoidably hurt the retail business of the WOG Group in the pharmaceutical and health products segment, the performances of the property and fresh market segments of the WOG Group remained robust. In respect of the property development and investment segment, the pandemic and social unrest have led investors and end-users to be more cautious and some tenants to fall into financial distress to whom the WOG Group has offered rent concessions. Notwithstanding that, the adjustment on the threshold of loan-to-value ratio of the Mortgage Insurance Programme of the Hong Kong Mortgage Corporation and lowering of interest rate is expected to release purchasing power in the market. The number of recorded sales in May has rebounded from first quarter of 2020 and the WOG Group is cautiously optimistic on the development of this segment. Similarly, the COVID-19 pandemic and social unrest did not take its toll on the fresh market segment of the WOG Group, which recorded an increase in

LETTER FROM THE BOARD

revenue by 41.0% for the year ended 31 March 2020 as a result of additional revenue from the operation of agricultural produce exchange markets of CAP and also new revenue streams brought by the WOG Group's new butchery business. It is expected this business segment will continue to provide stable recurring income and cash flow to the WOG Group. Although the operations of some of the agricultural produce exchange markets of CAP have been affected by the COVID-19 pandemic, all of the markets have resumed normal operations as at the Latest Practicable Date as the spread of the disease became under control in the PRC. Agricultural development is one of the main development focuses of the PRC government in the next few years, and major growth in the agriculture sector is expected to be driven by the "Belt and Road Initiative". Given the WOG Group's leading position in the market and its dynamic business model, this business segment is expected to deliver long-term benefits to WOG and its shareholders. All in all, it is expected that the overall strong financial position of the WOG Group and the expected continued growth through its diversified business will enable it to have a high degree of flexibility and agility for its treasury management, and to ride out the current difficult times.

In light of the above, and having regard to the advice of the Independent Financial Adviser and, in particular, the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser on pages 26 to 48 of this circular, the Directors (including the independent non-executive Directors) are of the view that the terms of the WYT Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of Mr. Tang (an executive Director, a director of WOG and the sole shareholder and director of Caister), Ms. Tang Mui Fun (an executive Director and Mr. Tang's sister), Ms. Tang Wai Man (an executive Director and Mr. Tang's daughter) and Mr. Chan Chun Hong, Thomas (an executive Director, a director of WOG and EOG respectively and an EOG Optionholder) are considered to have a material interest in the WYT Disposal and the transactions contemplated thereunder and therefore had abstained from voting on the Board resolutions approving the WYT Disposal and the transactions contemplated thereunder.

F. INFORMATION ON CAISTER, WOG, THE COMPANY AND EOG

Information on Caister

Caister is a company incorporated in the British Virgin Islands with limited liability and was beneficially wholly-owned by Mr. Tang as at the Latest Practicable Date. It is principally engaged in the investment holding of the WOG Shares owned by it.

Information on WOG

WOG is a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1222). The WOG Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through its 75%-owned listed non wholly-owned subsidiary, Wang On Properties Limited (stock code: 1243); (iii) manufacturing and/or retailing of pharmaceutical and health food products through the Group; and (iv) management and sales of properties in agricultural produce exchange markets in the PRC through CAP, a 53.37%-owned listed non wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, WOG had 17,397,520,047 WOG Shares in issue. The shareholding structure of WOG (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Proposal (assuming no other changes to the issued share capital of WOG between the Latest Practicable Date and the Effective Date) is set out as follows:

Name	No. of WOG Shares directly held as at the Latest Practicable Date	Approximate percentage in the issued share capital of WOG as at the Latest Practicable Date	No. of WOG Shares directly held immediately upon completion of the Proposal	Approximate percentage in the issued share capital of WOG immediately upon completion of the Proposal
Caister and the Offeror Concert Parties				
Caister	4,938,375,306	28.39%	486,915,306	2.80%
Accord Power Limited*	4,989,928,827	28.68%	4,989,928,827	28.68%
Mr. Tang	28,026,339	0.16%	28,026,339	0.16%
Mr. Tang's spouse	28,026,300	0.16%	28,026,300	0.16%
Suntech Investments Limited (an indirect wholly-owned subsidiary of the Company, which was indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date)	423,000,000	2.43%	432,475,200	2.49%
Hearty Limited (an indirect wholly-owned subsidiary of the Company, which was indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date)	–	–	1,284,273,800	7.38%
Billion Trader Investments Limited (an indirect wholly-owned subsidiary of EOG)	531,000,000	3.05%	531,000,000	3.05%
Kingston Securities Limited (a fellow subsidiary of Kingston, which is the financial adviser to Caister)	540	0.00%	1,116	0.00%
Sub-total	10,938,357,312	62.87%	7,780,646,888	44.72%
Independent WOG Shareholders	6,459,162,735	37.13%	9,616,873,159	55.28%
Total	<u>17,397,520,047</u>	<u>100%</u>	<u>17,397,520,047</u>	<u>100%</u>

LETTER FROM THE BOARD

* *As at the Latest Practicable Date, the entire issued share capital of Accord Power Limited was owned by Fiducia Suisse SA in its capacity as the trustee of the Tang's Family Trust, of which Mr. Tang is the founder.*

Other than the WOG Shares stated above, there are no options, derivatives, warrants or other securities issued by WOG that are convertible or exchangeable into WOG Shares.

Immediately upon completion of the Proposal and assuming there being no other changes to WOG's issued share capital since the Latest Practicable Date, the shareholding of WOG will be held by Caister, Accord Power Limited, Mr. Tang, Mr. Tang's spouse, the Company, EOG and Kingston Securities Limited as to approximately 2.80%, 28.68%, 0.16%, 0.16%, 9.87%, 3.05% and 0.00% respectively, or 44.72% in the aggregate.

Based on the published audited consolidated financial information of WOG for the year ended 31 March 2020, the audited total asset value and equity attributable to owners of WOG as at 31 March 2020 were approximately HK\$19,088.8 million and HK\$5,862.8 million, respectively. Based on the published audited consolidated financial statements of WOG for the two years ended 31 March 2019 and 2020, the audited consolidated net profits of the WOG Group before and after taxation were as follows:

	For the years ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Net profit before taxation	585,819	1,065,191
Net profit after taxation	439,702	893,391

Information on the Company

The Company is a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 897). As at the Latest Practicable Date, the shareholding of the Company was indirectly held as to approximately 58.08% by WOG. The Group is principally engaged in (i) the manufacturing and retailing of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of "Wai Yuen Tong", mainly in the PRC and Hong Kong; (ii) the manufacturing and retailing of Western pharmaceutical and health food and personal care products under the brand names of "Madame Pearls" and "Pearls"; (iii) property investment; and (iv) management and sales of properties in agricultural produce exchange markets in the PRC through CAP, a 53.37%-owned listed non wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

Information on EOG

EOG is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 221). As at the Latest Practicable Date, the shareholding of EOG was indirectly held as to approximately 29.06% by the Company. The EOG Group is principally engaged in the businesses of provision of finance and securities brokerage services in Hong Kong and property development in the PRC.

Based on the published audited consolidated financial information of EOG for the year ended 31 March 2020, the audited total asset value and net asset value of EOG as at 31 March 2020 were approximately HK\$1,480.3 million and HK\$1,088.3 million, respectively. Based on the published audited consolidated financial statements of EOG for the two years ended 31 March 2019 and 2020, the audited consolidated net profits of the EOG Group before and after taxation were as follows:

	For the years ended	
	31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Net profit before taxation	45,987	75,007
Net profit after taxation	41,461	70,379

G. FINANCIAL IMPACTS ON THE GROUP

The EOG Group will cease to be an associate of the Company and the profit or loss and the net assets of EOG will no longer be accounted for or recognised using the equity method in the Company's consolidated financial statements upon completion of the WYT Disposal.

Assuming the WYT Disposal had been completed as at 31 March 2020, it is expected that the Group will record a loss on the WYT Disposal in the amount of approximately HK\$160.9 million, after estimated transaction costs, which loss will be calculated by reference to the difference between (i) the total proceeds from the aforesaid disposal of EOG Shares and with reference to the Cancellation Consideration; and (ii) the audited carrying value of the Company's investment in EOG, taking into account the audited accumulated other comprehensive income attributable to EOG, as at 31 March 2020. The actual loss on the WYT Disposal to be recorded by the Group is subject to audit and may be different from the expected amount as stated above.

The total assets of the Group would decrease by approximately HK\$160.9 million and there would be no impact on liabilities. Details of the financial impacts of the WYT Disposal on the Group are set out in the unaudited pro forma consolidated financial information in Appendix III to this circular.

LETTER FROM THE BOARD

H. LISTING RULES IMPLICATIONS

As the entire issued share capital of Caister is beneficially owned by Mr. Tang, the controlling shareholder of the Company and a Director, who is a connected person of the Company, the WYT Disposal (i.e. the disposal by the Company of EOG Shares held by its subsidiaries pursuant to the Scheme and the resultant acquisition by the Company through its subsidiaries of the aforesaid 1,293,749,000 Consideration Shares), if proceeded with, will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Based on the applicable size tests results, the WYT Disposal, if proceeded with, will also constitute a major transaction for the Company under Chapter 14 of the Listing Rules. In accordance with the requirements of the Listing Rules, the WYT Disposal will therefore be subject to approval from the Independent Shareholders at the SGM.

I. THE SGM AND REGISTER OF MEMBERS

The SGM will be held on Wednesday, 26 August 2020 for the purposes of providing the Independent Shareholders with an opportunity to consider and, if thought fit, approve, among other things, the WYT Disposal and the transactions contemplated thereunder. As required under the Listing Rules, votes at the SGM will be taken by way of a poll.

The register of members of the Company will be closed from Tuesday, 18 August 2020 to Monday, 24 August 2020, both dates inclusive, during which period no transfer of Shares will be registered. The record date for the determination of the entitlement to attend and vote at the SGM will be the close of business on Thursday, 20 August 2020. In order to qualify for attending the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with 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 no later than Monday, 17 August 2020 at 4:30 p.m.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend and vote at the SGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment (as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such case, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

The notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular. Caister, through the WOG Group, held, and controlled the voting rights in respect of, approximately 58.08% of the total issued share capital of the Company as at the Latest Practicable Date. As an aggregate of approximately 62.87% of the total issued share capital of WOG was held by Caister and the Offeror Concert Parties as at the Latest Practicable Date, WOG and its relevant subsidiary are considered to have a material interest in the WYT Disposal. Accordingly, WOG and its relevant subsidiary holding the Shares will abstain from voting at the SGM on the resolution to approve, among other things, the WYT Disposal and the transactions contemplated thereunder.

J. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Cho Wing Mou and Mr. Li Ka Fai, David, has been established by the Board to consider the WYT Disposal and to provide advice to the Independent Shareholders on whether the terms of the WYT Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM. Alliance Capital Partners Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

K. RECOMMENDATION

Having considered the reasons set out herein and after taking into account the view of the Independent Board Committee as set out in the Letter from the Independent Board Committee set out on pages 24 to 25 of this circular, the Directors (including all the independent non-executive Directors) are of the view that the terms of the WYT Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

L. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Letter from the Independent Board Committee set out on pages 24 to 25, the Letter from the Independent Financial Adviser set out on pages 26 to 48, and the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee, which has been prepared for the purpose of incorporation into this circular, setting out its recommendation to the Independent Shareholders in respect of the WYT Disposal and the transactions contemplated thereunder.



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)

24 July 2020

To the Independent Shareholders

Dear Sir or Madam,

POSSIBLE MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE EFFECTIVE DISPOSAL OF THE COMPANY'S ENTIRE SHAREHOLDING IN EASY ONE FINANCIAL GROUP LIMITED

We refer to the circular issued by the Company to the Shareholders dated 24 July 2020 (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as members of the Independent Board Committee to consider the WYT Disposal, details of which are set out in the Circular. Alliance Capital Partners Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out in the “Letter from the Independent Financial Adviser” set out on pages 26 to 48 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices to the Circular.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having taken into account the advice of, and the principal factors and reasons considered by the Independent Financial Adviser in relation thereto as stated in its letter, we consider that the WYT Disposal, while not in the ordinary and usual course of business of the Group, is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. We also consider the terms of the WYT Disposal to be fair and reasonable to the Independent Shareholders. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM in respect of the WYT Disposal and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the

Independent Board Committee

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

Independent Non-executive Directors of

WAI YUEN TONG MEDICINE HOLDINGS LIMITED

(位元堂藥業控股有限公司*)

* *For identification purpose only*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Alliance Capital Partners Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular, setting out its recommendation to the Independent Board Committee and the Independent Shareholders.



Alliance Capital Partners Limited
同人融資有限公司

24 July 2020

To the Independent Board Committee and the Independent Shareholders of
Wai Yuen Tong Medicine Holdings Limited

Dear Sir or Madam,

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the possible major and connected transaction for the Company in relation to the effective disposal of shares by WYT Group in EOG pursuant to the Proposal relating to the privatization of EOG by Caister, a company owned by Mr. Tang, Chairman of the Company, through a scheme of arrangement under Section 99 of the Bermuda Companies Act. Details of the Proposal and the Scheme are set out in the Letter from the Board as contained in the circular of the Company dated 24 July 2020 (the “**Circular**”) to Shareholders. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Proposal involves WYT effectively disposing of all its EOG Shares representing approximately 29.06% of the total issued share capital of EOG to Caister through the cancellation of all such EOG Shares in exchange for Caister transferring to WYT the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$48,515,587.50 and 1,293,749,000 Consideration Shares on the basis of eight WOG Shares Caister held for each Scheme Share held by WYT.

Based on the applicable size tests, the WYT Disposal, if proceeded with, will constitute a major and connected transaction for WYT under Chapter 14 of the Listing Rules. As such, in accordance with the requirements of the Listing Rules, the WYT Disposal will be subject to approval from the Independent WYT Shareholders at the WYT SGM. In this respect, an Independent Board Committee was established by the Board to consider the WYT Disposal and to provide advice to the Independent Shareholders on whether the terms of the WYT Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM. We have been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on statements, information and representations referred to in the Circular as well as information and representations provided to us by the Directors. We have assumed that all such information, financial and otherwise, as well as representations provided by the Directors, for which they are solely responsible, are true and accurate at the time when they were made. More specifically, we have relied on the latest audited financial statements of the WYT Group and of EOG, both for the year ended 31 March 2020. In addition, we have relied on the WYT Group's unaudited pro forma financial statements to show financial effects on the WYT Group assuming the Proposal had been implemented as at 31 March 2020 as contained in the Circular.

BASIS OF OUR OPINION

We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to doubt the truth and accuracy of the information and representations provided to us and have been advised by the Directors that no material facts have been withheld or omitted from the information provided and/or referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, for the purpose of this exercise conducted any independent verification of the information included in the Circular and/or those provided to us by the management of the Company nor have we conducted any form of investigation into the businesses, affairs of the WYT Group.

As at the Latest Practicable Date, Alliance Capital Partners Limited did not have any relationship or interest with the Company that could reasonably be regarded as relevant to the independence of Alliance Capital Partners Limited. In the last two years, there was no engagement between the Group and Alliance Capital Partners Limited. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or Caister. Accordingly, we are qualified to give independent advice in respect of the terms of the WYT Disposal.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the WYT Disposal, we have considered the following principal factors and reasons:

1. Background information on the Group

1.1 Principal businesses and information on the Group

The Group is principally engaged in production and sale of Chinese and Western pharmaceutical and health food products and with minor investment income from property investment. The Group also engages in the management and sale of properties in agricultural produce exchange markets in mainland China through China Agri-Products Exchange Limited (“CAP”) (stock code: 149) which the Group holds 53.37% equity interest in it since February 2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Historical financial information

The following table summarises the financial information of the Group for the years ended 31 March 2018, 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 March 2019 (the “**2018/19 WYT Annual Report**”) and annual report for year ended 31 March 2020 (the “**2019/20 WYT Annual Report**”).

	For the year ended 31 March		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	845,781	751,443	620,741
– Production and sale of Chinese pharmaceutical and health food products	700,217	624,744	467,020
– Production and sale of Western pharmaceutical and health food products	135,888	115,953	100,306
– Property investment	9,676	10,746	9,249
– Management and sale of properties in agricultural produce exchange markets	–	–	44,166
Cost of sales	(501,987)	(449,915)	(339,165)
Gross profit	343,794	301,528	281,576
Other income and gains, net	124,002	115,671	498,048
Selling and distribution expenses	(267,344)	(281,769)	(233,238)
Administrative expenses	(185,839)	(166,170)	(178,229)
Reversal of impairment losses/(impairment losses) on financial assets, net	(2,327)	82,767	(16,013)
Other expenses	(19,170)	(6,205)	(93,487)
Finance costs	(18,926)	(28,553)	(56,697)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	(17,800)	593	(7,323)
Fair value gains/(losses) on investment properties, net	23,356	17,445	(99,198)
Share of profits and losses of associates	(94,633)	46,387	15,177
	<hr/>	<hr/>	<hr/>
PROFIT/(LOSS) BEFORE TAX	(114,887)	81,694	110,616
Income tax expense	(2,281)	(7,448)	(17,199)
	<hr/>	<hr/>	<hr/>
PROFIT/(LOSS) FOR THE YEAR	<u>(117,168)</u>	<u>74,246</u>	<u>93,417</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Selected balance sheets item

	As at 31 March		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Investment properties	503,000	558,000	3,190,791
Investments in associates	298,148	329,584	314,033
Bank balances and cash	420,849	171,209	475,702
Total assets	3,656,461	3,454,670	7,730,183
Unsecured bonds and notes	–	–	181,220
Convertible notes	–	–	249,814
Interest-bearing bank and other borrowings (current portion)	264,790	232,290	653,127
Interest-bearing bank and other borrowings (non-current portion)	662,227	619,937	716,598
Total liabilities	1,096,436	1,006,581	4,378,909
Net assets	2,560,025	2,448,089	3,351,274

Cash flow

	For the year ended 31 March		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Net cash flows used in operating activities	(76,731)	(26,633)	(30,027)
Net cash flows from/(used in) investing activities	23,269	(102,887)	424,483
Net cash flows from/(used in) financing activities	149,960	(113,299)	(83,367)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	96,498	(242,819)	311,089

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the years ended 31 March 2018 and 2019

Revenue of the Group amounted to approximately HK\$845.8 million and HK\$751.4 million for the years ended 31 March 2018 and 2019, respectively, which represented a decrease of approximately HK\$94.4 million or 11.2%.

According to 2018/19 WYT Annual Report, the decrease in revenue was mainly due to the decrease in sales of the Group's Chinese and Western pharmaceutical and health food products by 11.4% to HK\$740.7 million as compared to HK\$836.1 million. The Group's Chinese and Western pharmaceutical and health food products accounted for approximately 98.6% of the Group's revenue for FY2018/2019 with the remaining revenue derived from rental income. Such decrease in pharmaceutical and health food products business segment was mainly due to the Group's business decision to consolidate the distribution channel for better cost efficiency and to relocate its production facilities to Yuen Long, Hong Kong, which was completed by the end of 2018.

Gross profit of the Group amounted to approximately HK\$343.8 million and HK\$301.5 million for the years ended 31 March 2018 and 2019, respectively, which represented a decrease of approximately HK\$42.3 million or 12.3%. The Group's gross profit decreased was in line with the decrease in revenue as mentioned above. Gross profit margin for the years ended 31 March 2018 and 2019 were approximately 40.6% and 40.1%, respectively, which remained stable.

Selling and distribution expenses of the Group amounted to approximately HK\$267.3 million and HK\$281.8 million for the years ended 31 March 2018 and 2019, respectively, which represented an increase of approximately HK\$14.4 million or 5.4%. Such increase was mainly due to the increase in marketing and branding for "Madame Pearl's" and "Pearl's" products under the western pharmaceutical product series.

The Group recorded a loss of approximately HK\$117.2 million for the year ended 31 March 2018 and a profit of approximately HK\$74.2 million for the year ended 31 March 2019. Such improvement of net result was mainly due to the share of profit of EOG of HK\$49.0 million, which included a gain of HK\$38.0 million on bargain purchase of additional equity interests in EOG, for the year ended 31 March 2019, whereas a share of loss of HK\$96.1 million was recorded for year ended 31 March 2018 as a result of deemed partial disposal of equity interest in EOG giving rise to a loss of HK\$52.2 million for the same year. The deemed partial disposal of equity interest in EOG refers to the dilution of the Group's EOG equity interests in EOG from 28.51% to 23.80% after a placement of new shares towards the end of 2017.

As at 31 March 2019, total assets of the Group amounted to approximately HK\$3,454.7 million which comprised of mainly (i) property, plant and equipment

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of HK\$957.3 million; (ii) investment property of HK\$558.0 million; (iii) interests in associates amounted to HK\$329.6 million and (iv) financial assets at fair value through other comprehensive income of HK\$939.4 million. As at 31 March 2019, total liabilities of the Group amounted to approximately HK\$1,006.6 million which comprised mainly interest-bearing bank borrowings of approximately HK\$852.2 million.

For the years ended 31 March 2019 and 2020

For the year ended 31 March 2020, total revenue of the Group decreased by 17.4% to HK\$620.7 million. As a result of the massive social unrest in Hong Kong which started in June 2019 and the outbreak of the global COVID-19 pandemic since early 2020, revenue of both Chinese pharmaceutical and health food products and Western pharmaceutical and health food products dropped by 25.2% to HK\$467.0 million and by 13.5% to HK\$100.3 million, respectively. In February 2020, the Group further expanded its scope of business into management and sale of properties in agricultural produce exchange markets in mainland China through the acquisition of 53.37% equity interests in China Agri-Products Exchange Limited (“CAP”) (stock code: 149). CAP is principally engaged in the business of management and sale of properties in agricultural produce exchange markets in mainland China. The Group recognised approximately HK\$44.2 million income from management and sale of properties in agricultural produce exchange markets upon consolidation of CAP’s financials in February 2020.

The Group’s other income and gains increased to HK\$498.0 million for the year ended 31 March 2020 as compared to HK\$115.7 million in the preceding year. Such increase was mainly due to (i) the provisional gain on bargain purchase of approximately HK\$230.8 million arising from the acquisition of CAP during the year, and (ii) the gain on disposal/redemption of financial assets at fair value through other comprehensive income for approximately HK\$100.1 million. The Group also maintained a portfolio of listed equity securities and bonds in Hong Kong which are held for long term investment purpose with an aim to generating stable income. During the year, the Group’s investment in listed bonds decreased by HK\$43.8 million and the remaining bonds as at 31 March 2020 carried annual interest rates ranging from 6.00% to 11.75%.

During the year ended 31 March 2020, the Group completed the sales of five retail shop properties in Hong Kong at (1) Hip Wo Street, Kwun Tong, (2) Sai Yeung Choi Street South, Mong Kok, (3) To Kwa Wan Road, To Kwa Wan, (4) Shau Kei Wan Road, Sai Wan Ho, and (5) Jade Plaza, Tai Po. The gain from disposal of these five properties amounted to HK\$60.9 million and was recognised during the year ended 31 March 2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's other expenses increased to HK\$93.5 million for the year ended 31 March 2020 as compared to previous years of HK\$6.2 million. Such increase was mainly due to the impairment on property, plant and equipment and investment in EOG, of approximately HK\$81.8 million and HK\$8.7 million, respectively, during the year.

As at 31 March 2020, the Group owned 10 retail properties in Hong Kong. During the year ended 31 March 2020, the Group recorded fair value losses of approximately HK\$95.5 million on its remaining investment properties as a result of deteriorated retail property market condition. The majority of those properties was self-use as retail shops while some were leased out to generate rental income.

For the year ended 31 March 2020, the Group recorded profit attributable to shareholders of HK\$95.8 million (2019: HK\$74.6 million). Such improvement was mainly attributable to a provisional gain on bargain purchase arising from the acquisition of CAP, gain on disposal/redemption of financial assets and gains on disposal of property, plant and equipment and an investment property, netting off the decrease in gross profit of the Group and impairment on property, plant and equipment.

As at 31 March 2020, total assets of the Group amounted to approximately HK\$7,730.2 million which comprised of mainly (i) property, plant and equipment of HK\$974.9 million; (ii) investment property of HK\$3,190.8 million; (iii) interests in associates amounted to HK\$314.0 million; (iv) properties under development of HK\$297.1 million; and (v) properties held for sale of HK\$1,645.2 million. As at 31 March 2020, total liabilities of the Group amounted to approximately HK\$4,378.9 million which comprised mainly (i) interest-bearing bank and other borrowings of HK\$1,369.7 million, (ii) unsecured bonds and notes issued by CAP of HK\$181.2 million which will be due in 2024 and (iii) convertible notes issued by CAP of HK\$249.8 million which will mature on 18 October 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Chinese medicine industry

Based on the latest statistics report on Chinese Medicine in Hong Kong 2018¹ released in August 2019 by Census and Statistics Department of HKSAR, the Chinese medicine sector has developed steadily in Hong Kong in recent years. The Chinese medicine sector comprises: (a) manufacture of Chinese medicines; (b) distribution of Chinese medicines, including import/export, wholesale and retail trades; and (c) practising Chinese medicine, including Chinese medicine practitioners of general practice, acupuncture and bonesetting. Set forth below are the market of manufacturing and retail business of Chinese medicines from 2013 to 2017:

	2013	2014	2015	2016	2017
Number of establishments					
– Manufacturer	210	210	210	200	190
– Retailer	<u>1,400</u>	<u>1,380</u>	<u>1,370</u>	<u>1,330</u>	<u>1,310</u>
Total	<u>1,610</u>	<u>1,590</u>	<u>1,580</u>	<u>1,530</u>	<u>1,500</u>
Sales and other receipts (in HK\$ million)					
– Manufacturer	3,652	3,943	3,923	4,464	4,382
– Retailer	<u>6,948</u>	<u>7,159</u>	<u>7,106</u>	<u>6,989</u>	<u>7,458</u>
Total	<u>10,600</u>	<u>11,102</u>	<u>11,029</u>	<u>11,453</u>	<u>11,840</u>

Based on the statistics above, we note that whilst the number of establishments had decreased slightly over the years, which reflected the competition and consolidation of market players. Sales of Chinese medicine in Hong Kong had grown steadily with CAGR of 2.24% from 2013 to 2017. With the outbreak of COVID-19 and increased health awareness of consumers, the Group's management believe that there will be continued demand of Chinese health products in the future.

¹ *Statistics on Chinese Medicine in Hong Kong, 2018* (<https://www.statistics.gov.hk/pub/B71908FB2019XXXXB0100.pdf>)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Background information on EOG

As stated in the Letter from the Board, EOG shares are listed on the Main Board of the Stock Exchange under stock code 221. As at the Latest Practicable Date, the shareholding of EOG was indirectly held as to approximately 29.06% by the Company. The EOG Group is principally engaged in the businesses of provision of finance and securities brokerage services in Hong Kong as well as property development in the PRC.

2.1 Financial information of the EOG

Set out below is an extract of the financial information of the EOG for the years ended 31 March 2018, 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 March 2019 (the “**2018/19 EOG Annual Report**”) and annual result announcement for year ended 31 March 2020 (the “**2019/20 EOG Result Announcement**”).

	For the year ended 31 March		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	200,774	130,761	113,393
– <i>Interest income from loan financing</i>	79,397	100,609	94,926
– <i>Interest income from brokerage financing</i>	5,115	11,833	9,947
– <i>Commission and fee income from brokerage services</i>	3,866	4,230	3,305
– <i>Placing and underwriting commission</i>	10,493	1,966	1,620
– <i>Consultancy fee income</i>	–	850	–
– <i>Sales of stock of properties</i>	101,903	11,273	3,595
Gross profit	149,269	130,135	113,222
Gain on disposal of subsidiaries	–	72,694	1,092
Share of profits and losses of associates	(76,738)	(42,881)	1,187
PROFIT/(LOSS) BEFORE TAX	(165,534)	75,007	45,987
PROFIT/(LOSS) FOR THE YEAR	(175,296)	70,379	41,461

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the years ended 31 March 2018 and 2019

EOG was principally engaged in the provision of finance and securities brokerage services in Hong Kong and property development in the PRC. Revenue of the EOG decreased from approximately HK\$200.8 million for the year ended 31 March 2018 to approximately HK\$130.8 million for the year ended 31 March 2019, representing a decrease of approximately HK\$70.0 million or 52.5%. According to 2018/19 EOG Annual Report and as advised by the management of the Group, such decrease was mainly due to (i) decrease in the sale of stock of properties from HK\$101.9 million for the year ended 31 March 2018 to HK\$11.3 million for the year ended 31 March 2019, (ii) the decrease in revenue from placing and underwriting commission from HK\$10.5 million to HK\$2.0 million as compared to prior year, partially offset by the increase in the interest income from loan financial and brokerage financing. The total loan portfolio from financing business, net of impairment losses, increased to approximately HK\$648.5 million for the year ended 31 March 2019 as compared to previous year of approximately HK\$433.1 million, representing a growth of approximately 49.7%.

For the year ended 31 March 2019, EOG recorded net profit after tax attributable to owners of the Company of approximately HK\$70.4 million whereas a net loss of approximately HK\$175.7 million was recorded in year ended 31 March 2018. EOG turned loss into gain in the year ended 31 March 2019 and this was primarily due to (i) the recognition of a gain of approximately HK\$72.7 million on disposal of subsidiaries which is principally engaged in the development of a mixed commercial and residential property development project located in Fuzhou, Jiangxi Province, the PRC; (ii) a reduction in net loss on financial assets (mainly convertible notes and unlisted bond fund) at fair value through profit or loss resulting in a net gain of HK\$4.4 million in the year ended 31 March 2019 whereas a net loss of HK\$103.3 million was recorded in the previous year; and (iii) a reduction in share of loss of CAP, an associated company at the time engaged in agricultural product exchange market management and property sales, of approximately HK\$76.7 million as compared to HK\$42.9 million in previous years, offset by (iv) a reduction in interest income of HK\$8.8 million on unlisted bonds during the year ended 31 March 2019, as such unlisted bonds were redeemed in the year ended 31 March 2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the years ended 31 March 2019 and 2020

During the year ended 31 March 2020, revenue was HK\$113.4 million, representing a decrease of approximately HK\$17.4 million or 13.3%, compared to the year before. Revenue from all the segments decreased during the year; in particular, (i) revenue generated from provision of finance business in Hong Kong decreased from HK\$100.6 million for the year ended 31 March 2019 to approximately HK\$94.9 million for the year ended 31 March 2020; (ii) revenue from securities brokerage services decreased from HK\$18.9 million for the year ended 31 March 2019 to approximately HK\$14.9 million for the year ended 31 March 2020; and (iii) revenue from property sales in the PRC decreased from approximately HK\$11.3 million to approximately HK\$3.6 million.

Provision of Finance

As disclosed in the 2019/20 EOG Result Announcement, property market in Hong Kong remained volatile during the year ended 31 March 2020, with property prices rose to a peak in May 2019 and then followed by a downward adjustment from May 2019 to 1st quarter of 2020. We note Centaline's Centa-City Leading Index, an independent and widely used indicator of secondary property prices in Hong Kong, fell from 180.2 in April 2019 to 175.5 in March 2020².

In October 2019, the Government relaxed the ceiling on mortgage financing schemes for first-time homebuyers, which, to a certain extent, helped in stimulating residential property transactions. However, the continued anti-Government events in Hong Kong and the outbreak of coronavirus disease 2019 (“**COVID-19**”) in first quarter of 2020 had a dampening effect on overall market sentiment. Against this background, the overall loan portfolio of EOG from property financing business, net of impairment losses, as at 31 March 2020 was approximately HK\$555.9 million, representing a decrease of approximately 14.3% as compared to the portfolio of approximately HK\$648.5 million as at 31 March 2019. Also, given the uncertainty of global as well as Hong Kong market conditions, trading in Hong Kong's securities market continued to languish during the year ended 31 March 2020, under a competitive securities brokerage market environment. Therefore, revenue from the provision of securities brokerage services decrease from HK\$100.6 million to HK\$94.9 million for the year ended 31 March 2020.

In order to meet funding obligations and business operational needs, the Group from time to time has to seek financing alternatives including but not limited to equity fund raising, borrowings from financial institution and non-financial institution.

² <http://202.72.14.52/p2/cci/SearchHistory.aspx>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set forth below the interest-bearing debt profile of the Group as at 31 March 2019 and 2020:

	As at 31 March 2019		As at 31 March 2020	
	Outstanding amount <i>(HK\$ million)</i>	Approximate annual effective interest rate (per annum)	Outstanding amount <i>(HK\$ million)</i>	Approximate annual effective interest rate (per annum)
Loans from financial institution	128	3.0% to 6.2% floating	84	4.0% to 6.2% floating
Loan from non-financial institution	160	6.5% to 7.3% fixed/floating	157	7.8% floating
Loans from related company	70	6.5% fixed	–	
	358		241	
Total	358		241	

Based on 2019/20 EOG Result Announcement, as at as at 31 March 2019 and 2020, total cash on hand amounted to approximately HK\$72.7 million and HK\$29.5 million, respectively, whereas bank and other loans amounted to approximately HK\$358 million and HK\$240.7 million, respectively.

Having considered EOG's cash on hand as at 31 March 2020, the decreased outstanding loan balance to HK\$241 million and increasing loan interest rate, we are of the view that EOG will require further funding needs in order to meet its repayment obligation and business operations going forward.

Securities Brokerage Services

The securities brokerage market in Hong Kong remains highly competitive. The Hang Seng index fell from 28,543 on 2 January 2020 to 21,709 on 19 March 2020. The outbreak of COVID-19 across the globe and the continuous social events in Hong Kong had caused stagnation of a lot of economic activities in Hong Kong. All these created a downward pressure on the Hong Kong stock market which significantly impacted EOG's brokerage activities and margin financing businesses. Therefore, revenue from the provision of brokerage financing decrease from HK\$11.8 million to HK\$9.9 million for the year ended 31 March 2020.

Property Development

During the year ended 31 March 2019, EOG disposed of the property development project in Fuzhou, Jiangxi Province, the PRC for a consideration of RMB1.0 million and recorded a gain of approximately HK\$72.8 million in EOG's consolidated statement of profit and loss. After the disposal, the remaining property project held by EOG is the commercial complex in Dongguan, Guangdong Province, the PRC, with over 98% of the lettable area leased out as at 31 March 2020. Income from property leasing for the year ended 31 March 2020 was approximately HK\$21.6 million as compared to approximately HK\$22.2 million for the previous year.

EOG reported net profit after tax of approximately HK\$41.5 million attributable to owners of the Company for the year ended 31 March 2020 as compared to approximately HK\$70.4 million in the previous financial year. The drop in the net profit was primarily due to a decrease in gain of HK\$72.8 million from the disposal of the property development project in Fuzhou as mentioned above, offset by a reduction in the share of loss of an associate as compared to the previous financial year.

2.2 Prospects of EOG

The EOG Group is principally engaged in the businesses of provision of finance and securities brokerage services in Hong Kong and property development in the PRC. In particular, revenue from provision of financing (i.e. corporate and individual lending) amounted to approximately HK\$79.4 million, HK\$100.6 million and HK\$94.9 million, representing 39.5%, 76.9% and 83.7% of its total revenue whereas revenue from provision of brokerage services operation amounted to approximately HK\$19.5 million, HK\$18.9 million and HK\$9.9 million, representing 9.7%, 14.4% and 8.8% of total revenue, respectively.

As set out in the Letter from the Board, the EOG Group has experienced unprecedented and significant challenges in its finance and brokerage services industries in the year ended 31 March 2020 due to social protests started in June 2019 and COVID-19 pandemic, started in February 2020. Consequently, the Board of EOG is of the view that its listing status no longer offers a viable source of funding to develop its existing businesses.

Hong Kong economy

According to Hong Kong Census and Statistics, Hong Kong's economy recorded the deepest ever year-on-year contraction of 8.9% in Q1 2020 due to the COVID-19 outbreak, followed by violent social incidents started in June 2020, which dealt a severe blow to its economy amid US-China political tensions. Such record economic contraction in Q1 2020 was compared to a contraction of 8.3%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

in the third quarter of 1998 in the aftermath of Asian Financial Crisis (1997–1998) and to 7.8% in the first quarter of 2009 during the US led global financial crisis in 2008–2009. With the onslaught of COVID-19, the impact was felt across most sectors, though the tourism and consumption related sectors were particularly hard hit. Inbound tourism came to a standstill in February and March, with year-on-year fall in visitor arrivals by 80.9% for the first quarter. Outbound tourism likewise fell drastically amid travel bans and border controls implemented by governments around the world. Meanwhile, year-on-year decreases in retail sales volume and restaurant receipts volume widened from 21.9% and 14.9% respectively in the second half of 2019 to 36.9% and 32.3% in the first quarter of 2020, both the steepest for a single quarter on record. Against the background of seriously disrupted regional supply chains and related trading activities, goods exports and imports fell by 9.9% and 11.0% respectively in real terms in the first quarter of 2020 from a year earlier. Other sectors, including education and construction, also felt pains of varying extent in the face of the unprecedented threat of the COVID-19 pandemic.

Real GDP growth in Hong Kong from 1998 to 2020



Source: *First Quarter Economic Report 2020 issued by Hong Kong Economic*³

On 29 May 2020, US President Donald Trump said his administration will take steps to revoke special treatment of Hong Kong on matters including tariffs and visa issuance over China's announcement promulgation of a national security law for Hong Kong earlier. All the above developments pointed to continued stress to Hong Kong's economy which premised on free trade as well as free flow of people, money and services.

³ *First Quarter Economic Report 2020 issued by Hong Kong Government (<https://www.hkeconomy.gov.hk/en/pdf/box-20q1-1-1.pdf>)*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Hong Kong unemployment

Hong Kong's unemployment rate rose to 5.2%⁴ in April 2020, highest in more than a decade. Mr. Paul Chan, Hong Kong's Financial Secretary, stated that Hong Kong's unemployment rate will continue to deteriorate and would be worse than during 2009 financial tsunami.

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr. Law Chi-kwong said "The unemployment rate of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors) combined soared to 9.0%, the highest in more than 15 years, and the underemployment rate to 5.9%, the highest on record. In particular, unemployment and underemployment rates in food and beverage service activities surged to 12.0% and 8.4% respectively. The situation in the construction sector was equally austere, with unemployment rate and underemployment rate rising to 10.0% and 8.0% respectively. Labour market conditions in most other sectors also deteriorated, particularly in education, information and communications, professional and business services (excluding cleaning and similar activities), and arts, entertainment and recreation."

On 20 July 2020, Hong Kong Government announced that the seasonally adjusted unemployment rate increased to 6.2% in April – June, the highest in more than 15 years. Unemployment rate of the consumption and tourism related sectors (viz. retail, accommodation and food services sectors) edged up to 10.7% in April – June 2020, the highest since August – October 2003 after the onslaught of SARS.

Bankruptcies

According to latest bankruptcy statistics released by Official Receiver's Office of HKSAR, the number of bankruptcy petitions filed with the Receiver's Office for the first five months to 31 May 2020 was 3,611⁵, as compared to 2,511 for the first five months in 2019.

If we look at bankruptcy statistics back in 2002 and 2003 (where SARS outbreak happened), we noted bankruptcies during 2002 and 2003 were around 25,000 each year which was many times more than a total of 7,700 cases recorded in 2019. And from economic growth statistics as depicted in the paragraph above, we are now in a worse situation compared to 2002 and 2003 as SARS epidemic was regionalized affecting only a few countries at that time whereas COVID-19 affects the whole world.

⁴ *Unemployment and underemployment statistics for February – April 2020 issued by Census and Statistics Department of HKSAR on 19 May 2020* (https://www.censtatd.gov.hk/press_release/pressReleaseDetail.jsp?charsetID=1&pressRID=4641)

⁵ *Bankruptcy statistics released by Official Receiver's Office of HKSAR* https://www.oro.gov.hk/cgi-bin/oro/stat.cgi?stat_type=W&start_year=1989&end_year=2020&end_month=5&Search=Search

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 March 2020, the overall loan portfolio of EOG from financing business was approximately HK\$571.9 million and impairment losses arising from such business were HK\$16.0 million during the year, representing approximately 2.8% of the loan portfolio. For year ended 31 March 2019, the loan portfolio was approximately HK\$654.4 million and the impairment losses was approximately HK\$6.0 million, representing approximately 0.9% of the loan portfolio of corresponding year. It is noted that the percentage of impairment losses from such loan portfolio had increased significantly during the year.

We have further discussed with management of the Group and understood that given the sluggish economic conditions and uncertainty brought on by the outbreak of COVID-19, the WYT Disposal provides an opportunity for the Group to reduce the exposure to WYT Group during the current challenging business environment.

3. Information on Caister

As stated in the Letter from the Board, Caister is a company incorporated in the British Virgin Islands with limited liability and was beneficially wholly-owned by Mr. Tang, an executive director of the Company and WOG, as at the Latest Practicable Date. As such, Caister is a connected person of the Company.

Each of Mr. Tang (an executive Director, a director of WOG and the sole shareholder and director of Caister), Ms. Tang Mui Fun (an executive Director and Mr. Tang's sister), Ms. Tang Wai Man (an executive Director and Mr. Tang's daughter) and Mr. Chan Chun Hong, Thomas (an executive Director, a director of WOG and EOG respectively and an EOG Optionholder) are considered to have a material interest in the WYT Disposal and the transactions contemplated thereunder and therefore had abstained from voting on the Board resolutions approving the WYT Disposal and the transactions contemplated thereunder.

4. Terms of the Scheme

The effective disposal by the Company of all EOG Shares held by it to Caister at the Cancellation Consideration through the cancellation of all such EOG Shares in exchange for Caister paying to the Company the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$48,515,587.50 and 1,293,749,000 Consideration Shares, and the acquisition of the said 1,293,749,000 WOG Consideration Shares results in the Company's shareholding in WOG to increase from 2.43% to 9.87% upon Completion of the Scheme. We understand from the Company that it plans to treat its 9.87% interest in WOG as long term investment. Consequently, in accordance with Hong Kong Financial Reporting Standard 13 – Fair Value Measurement, market price fluctuations of WOG shares will not be recorded as gain or loss in WYT's profit and loss accounts but will instead be reflected in its net assets going forward.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Evaluation of the Consideration

The Cancellation Consideration (taking into account the closing price of the Consideration Shares as at the Last Trading Day) of HK\$0.924 per Scheme Share represents:

- (a) a premium of approximately 44.4% over the closing price of HK\$0.640 per EOG Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 94.5% over the average closing price of HK\$0.475 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 90.1% over the average closing price of approximately HK\$0.486 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 98.3% over the average closing price of HK\$0.466 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 106.3% over the average closing price of approximately HK\$0.448 per EOG Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- (f) a premium of approximately 23.2% over the closing price of HK\$0.75 per EOG Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (g) a discount of approximately 52.8% to the audited consolidated net asset value of approximately HK\$1.956 per EOG Share as at 31 March 2020, calculated based on the audited consolidated net asset value of the EOG Group attributable to the EOG Shareholders of approximately HK\$1,088,305,000 as at 31 March 2020 divided by the total number of 556,432,500 EOG Shares in issue as at the Latest Practicable Date.

The Cancellation Consideration on the Latest Practicable Date was HK\$0.852, being the sum of the closing price of eight (8) WOG Shares of HK\$0.552 as at the Latest Practicable Date plus the Scheme Consideration of HK\$0.30 per EOG Share.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have conducted a comparable analysis by comparing the P/E of listed companies on the Stock Exchange engaging in similar nature of business of EOG (the “**Comparable Companies**”). We have selected companies which (i) are listed on the Main Board of the Stock Exchange; (ii) have market capitalisations of between HK\$150 million and HK\$1.0 billion (making reference to EOG’s projected market capitalisation of approximately HK\$514.14 million as at Last Trading Day, which is calculated by HK\$0.924 multiplied by the total issued shares as at Last Trading Day; and (iii) engaged in similar nature of business of EOG (i.e. revenue derived from money lending business in Hong Kong their respective latest financial year and which represented 50% or more of the total revenue). These Comparable Companies represent an exhaustive list of comparable companies we were able to identify from the Stock Exchange’s website satisfying the above selection criteria.

Set forth the identified comparables companies based on the aforementioned criteria as at the Latest Practicable Date:

Company	Principal business	% of revenue generated from money lending business in the most recent financial year	Market capitalisation as quoted from HKEX website as at the Latest Practicable Date (HK\$ million)	P/E Ratio (times) as quoted from HKEX website as at the Latest Practicable Date
Power Financial Group Limited (Stock code: 397)	Engaged in provision of financial services including securities brokerage, money lending and assets management in Hong Kong	57%	220 million	N/A ^(Note)
Eternity Investment Limited (Stock code: 764)	Engaged in money lending, property investment, sale of financial assets, sale of jewellery products in Hong Kong	52%	630 million	N/A ^(Note)
Asia Pacific Silk Road Investment Company Limited (Stock code: 767)	Engaged in money lending business in Hong Kong and PRC	84%	275 million	N/A ^(Note)
Hong Kong Finance Group Limited (Stock code: 1273)	Engaged in provision of property mortgage loans and personal loans in Hong Kong	100%	158 million	2.84

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company	Principal business	% of revenue generated from money lending business in the most recent financial year	Market capitalisation as quoted from HKEX website as at the Latest Practicable Date <i>(HK\$ million)</i>	P/E Ratio (times) as quoted from HKEX website as at the Latest Practicable Date
Oi Wah Pawnshop Credit Holdings Limited (Stock code: 1319)	Engaged in provision of secured financing business in Hong Kong, including pawn loans and mortgage loans	68%	599 million	5.60
Global International Credit Group Limited (Stock code: 1669)	Engaged in money lending business in Hong Kong including provision of property mortgage loans and personal loans	100%	236 million	3.77
			Maximum:	5.60
			Minimum:	2.84
			Mean:	4.07
			Median:	3.77
EOG (Stock code: 221)	Engaged in provision of finance and securities brokerage services in Hong Kong and property development in the PRC		514.14 million <i>(calculated by HK\$0.924 multiplied by the total issued shares of EOG as at Last Trading Day)</i>	12.4 <i>(calculated by HK\$0.924 multiplied by the total issued shares of EOG as at Last Trading Day and based on the annual result of year ended 31 March 2020)</i>

Note: The PE ratio is not applicable as the company recorded net loss in the most recent financial year.

We found the mean and median PE ratios of EOG's comparable companies engaged in similar business and were approximately 4.07 times and 3.77 times respectively. This is compared to the PE ratio of EOG, calculated based on EOG's market capitalisation of approximately HK\$514.14 million as at Last Trading Day (calculated by HK\$0.924 multiplied by the total issued shares of EOG as at Last Trading Day) and profit of approximately HK\$41.5 million attributable to EOG shareholders for the year ended 31 March 2020, of approximately 12.4 times. Consequently, from a P/E standpoint, the Cancellation Consideration is attractive as the implied valuation of EOG is generally higher than those of the EOG Comparable Companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the above and taking into account historical trading prices of EOG and WOG shares as well as the premium of that the Cancellation Consideration represents over the price of EOG shares, we are of the view that the Cancellation Consideration is fair and reasonable so far as the Scheme Shareholders are concerned.

5. Reasons for and benefits of the WYT Disposal

As set out in the Letter from the Board, the EOG Group has experienced unprecedented and significant challenges in the finance and brokerage services industries over the past year due to the social protest movements and COVID-19 pandemic and its listing status no longer offers a viable source of funding to develop its business. The WYT Disposal will provide the Company an opportunity to realise its investment in the EOG Group without having to suffer any illiquidity discount.

Upon disposing the Group's interest in EOG, the Company will continue to have 53.37% interest in CAP and will have 9.87% interest in WOG after getting an additional 7.44% interest in WOG under the Scheme. WOG is parent to the Company and owns 75% of Wang On Properties Limited (stock code: 1243) as well as 58.08% interest in the Company which in turns has 53.37% interest in CAP.

For the year ended 31 March 2020, WOG's revenue was HK\$3,441 million. Of this, HK\$2,368 million, or approximately 69%, was related to the sale of properties whereas the remaining was related to sale of pharmaceutical products, interest income and sub-licensing fee income. From the above, it is evident that property development is WOG's main business. While Hong Kong's social unrest, which started in 2019, and the ongoing COVID-19 pandemic had an adverse effect on the retail and other service sectors, the property market here has shown much resilience. As at end June 2020, Centa-City Leading Index, an independent and widely used residential property market index tracker, was at 178, still higher than 170 in January 2019 before the social unrest happened in first half of 2019. While the total number of residential property transactions in Hong Kong in the first half of 2020 was 29,195, lower than 37,154 in the first half of 2019, it was higher than 26,939 in the second half of 2019. Based on the above, we are of the opinion that WOG's property development business remains optimistic in the future and as such an increased investment in WOG is justified in the long term.

As mentioned above, we are given the understanding that the Company plans to hold its interest in WOG as a long term investment. As such, there is no plan to dispose WOG Shares in the foreseeable future. Given the equally low liquidity of the EOG Shares and the WOG Shares, we are of the view that the potentially higher dividend income expected to be generated from the Consideration Shares will at least bring a stable income stream to the Company, compared to the EOG Shares currently held by the Company. As further illustrated in paragraph "Financial effects of the WYT Disposal" below, WYT would have had an additional HK\$43.2 million dividend income if WYT had held additional 1,293,749,000 shares of WOG from 2015 to 2020 and assuming the WYT Disposal had been completed as at 31 March 2020, with the additional dividend income of approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

HK\$7.8 million from WOG, the earnings of WYT for year ended 31 March 2020 would have been HK\$101.2 million, instead of HK\$93.4 million as reported.

6. Financial effects of the WYT Disposal

Upon completion, EOG will cease to be an associate company of the Group and the financial results of the EOG will no longer be accounted for or recognised using the equity method in the Company's consolidated financial statements upon completion of the WYT Disposal.

Earnings

According to the 2019/20 WYT Annual Report, profit of the Group for the year ended 31 March 2020 amounted to approximately HK\$93.4 million.

Upon Completion, the Group will no longer share the profit or loss of EOG. As a result of the WYT Disposal, it is also expected that the Group will record a loss in the amount of approximately HK\$160.9 million, after transaction costs.

Dividends

We note that over the years EOG did not pay a dividend whereas WOG did so. As such, the Company may benefit from potentially higher dividend income from the Proposal. Upon completion of the WYT Disposal, WYT would have 9.87% interest in WOG or an additional 7.44% equity interest or additional 1,293,749,000 shares of WOG. Based on the actual cash dividend track record of WOG and EOG since 2003, the Company would have received a substantially higher dividend income by holding eight (8) WOG Shares compared to holding one Scheme Share.

The below table set forth the pro forma additional dividend income from WOG as if WYT held additional 1,293,749,000 shares of WOG since 2015:

	Year ended 31 March				
	2016	2017	2018	2019	2020
Dividend declared by WOG (<i>HK cents per WOG Share</i>)	0.6	0.6	0.6	0.94	0.6
Additional dividend income from WOG (<i>HK\$'000</i>)	7,762	7,762	7,762	12,161	7,762

Based on dividend figures above, WYT would have had an additional HK\$43.2 million dividend income if WYT had held additional 1,293,749,000 shares of WOG from 2015 to 2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assuming the WYT Disposal had been completed as at 31 March 2020, with the additional dividend income of approximately HK\$7.8 million from WOG, the earnings of WYT for year ended 31 March 2020 would have been HK\$101.2 million, instead of HK\$93.4 million as reported.

Net assets

According to the 2019/2020 WYT Result Announcement, the unaudited consolidated net asset value of the Group as at 31 March 2020 was approximately HK\$3,351.2 million. As disclosed in the Letter from the Board, it is estimated that upon Completion, net asset value of the Group is expected to decrease by approximately HK\$160.9 million to HK\$3,190.4 million. As a result, the consolidated net asset value of the Group is expected to decrease after Completion.

Gearing and working capital

We note that, as at the 31 March 2020, the Group's cash and cash equivalents were approximately HK\$475.7 million whereas total interest-bearing bank and other borrowings alone were HK\$1,369.7 million (2019: HK\$791.1 million). As at 31 March 2020, the Group's gearing ratio, defined as the Group's total interest-bearing debts, net of cash and cash equivalents, to equity attributable to WYT shareholders, was 57.6% (2019: 27.9%). We understand from the Directors that as at 31 March 2020, WYT Group's un-utilized banking facilities was only approximately HK\$20 million.

Based on the shareholding of the Company in EOG and the Cancellation Consideration (taking into account the closing price of the Consideration Shares of HK\$0.924 per Scheme Share as at the Last Trading Day) net proceeds from the WYT Disposal is expected to be approximately HK\$46 million. Such proceeds is expected to help reduce the Group's gearing and have a positive effect on the Group's working capital and liquidity position.

Having considered the following factors, we are of the view that the WYT Disposal, while not in the normal and ordinary course of business of the Group, is on normal commercial terms, fair and reasonable and in the interests of WYT and its shareholders as a whole due to the following reasons:

- EOG's business is primarily in corporate and individual lending business with such revenue accounted for 83.7% of EOG's total revenue for the year ended 31 March 2020. This business is expected to be significantly impacted by increasing corporate and individual bankruptcies as well as higher unemployment rates in Hong Kong under current global economic contraction affected by the COVID-19 pandemic. Such development will bring about higher loan loss ratio in the near term, from 2.8% in the year ended 31 March 2020 and 0.9% in the year ended 31 March 2019. Consequently, we are of the view that it is reasonable for WYT to consider disposing its existing interest in EOG given much higher credit risks and market uncertainty it currently faces.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- Having compared the PE ratios of EOG’s comparable companies engaged in similar business and found that their mean and median PE were approximately 4.07 times and 3.77 times respectively. This is compared to the PE ratio of EOG, calculated based on EOG’s market capitalisation of approximately HK\$514.14 million as at Last Trading Day (calculated by HK\$0.924 multiplied by the total issued shares as at Last Trading Day) and profit of approximately HK\$41.5 million attributable to EOG shareholders for the year ended 31 March 2020, of approximately 12.4 times. Consequently, from a P/E standpoint, the Cancellation Consideration is attractive given the implied valuation of EOG under the Scheme is much higher than those of the EOG Comparable Companies.
- WYT is mainly in the production and sale of Chinese pharmaceutical and health care products as well as of western pharmaceutical products. Revenue derived from the above sales accounted for approximately 91.4% of WYT Group’s total revenue for the year ended 31 March 2020. Based on latest available statistics from the Hong Kong Government, sales of Chinese medicinal products in Hong Kong had grown steadily with CAGR of 2.24% from 2013 to 2017. With the outbreak of COVID-19 and increased health awareness of consumers in general, we agree with the Group’s management that there will be continued demand of Chinese health products in the future.
- Although the WYT Disposal is expected to cause WYT to recognize a loss of HK\$160.9 million after transaction costs, the disposal will bring about net proceeds of HK\$46 million which serves to fund WYT’s general working capital requirements and to alleviate WYT Group’s gearing level which stood at 57.6% as at 31 March 2020. Also, with the additional WOG Shares WYT expects to receive upon completion of the Scheme, WYT looks forward to receiving additional dividend income from WOG as EOG did not pay dividends historically.

RECOMMENDATION

Having considered the above principal factors and reasons, we consider the terms of the WYT Disposal fair and reasonable and in the interests of WYT and the WYT Shareholders as a whole and advise the WYT IBC to recommend the Independent Shareholders to vote in favor of the ordinary resolution to approve the WYT Disposal at the SGM.

Yours faithfully,
For and on behalf of
Alliance Capital Partners Limited

David Tsang
Responsible Officer

Danielle Yau
Vice President

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the three financial years ended 31 March 2018, 2019 and 2020, including the notes thereto, have been disclosed in the respective annual reports of the Company. The auditor of the Company has not issued any qualified opinion on the Group's consolidated financial statements for the three financial years ended 31 March 2018, 2019 and 2020.

The annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020 are published on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.wyth.net/pressrelease), respectively.

Quick links

- (i) for the year ended 31 March 2018 (pages 74 to 163),
(<http://www1.hkexnews.hk/listedco/listconews/sehk/2018/0726/ltn20180726494.pdf>)
- (ii) for the year ended 31 March 2019 (pages 118 to 274),
(<http://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltn20190730531.pdf>)
- (iii) for the year ended 31 March 2020 (pages 126 to 286),
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0722/2020072200600.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2020, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had the following indebtedness:

- (a) outstanding bank and other borrowings, bonds and convertible bonds of approximately HK\$1,725.6 million, of which bank loans with an aggregate amount of approximately HK\$1,204.6 million were secured by the Group's land and buildings, investment properties and certain rental income generated therefrom, equipment, financial assets at fair value through other comprehensive income and properties held for sale, and, of which bank loans with an aggregate amount of HK\$1,112.4 million were guaranteed by the Company or its subsidiaries;
- (b) unsecured and unguaranteed lease liabilities amounting to approximately HK\$113.1 million; and
- (c) the Group also provided guarantee(s) to banks in respect of loans provided by the bank to its customers in an amount not exceeding approximately HK\$63.2 million.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 May 2020, any other debt

securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances, such as any event of force majeure occurs including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2020, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) the manufacturing and sale of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of “Wai Yuen Tong”, mainly in the PRC and Hong Kong; (ii) the manufacturing and sale of Western pharmaceutical and health food and personal care products under the brand names of “Madame Pearls” and “Pearls”; (iii) property investment; and (iv) management and sales of properties in agricultural produce exchange markets in the PRC. During the financial year ended 31 March 2020, the Group acquired 53.37% equity interest in CAP, a company incorporated in Bermuda whose shares are listed and traded on the Main Board of the Stock Exchange. CAP is principally engaged in management and sales of properties in agricultural produce exchange markets in the PRC. Save as disclosed herein, there is no change in the Group’s principal activities since 31 March 2020, being the date on which the latest published audited consolidated financial statements of the Group were made up.

The continuous social unrest in Hong Kong and outbreak of COVID-19 pandemic across continents and the Sino-US price war have created unprecedented risks and challenges to both the PRC and Hong Kong economy. The retail and trading environment in the PRC, Hong Kong and Macau will become very challenging as full of uncertainties are expected during this critical moment.

Looking forward, the Group anticipates that slower or even negative economic growth, fewer mainland inbound tourists to Hong Kong and rigid industry policies will continue to

negatively impact its retail performance, in particular in the individual visit zone of Hong Kong. The Group consider that retail sales in the individual visit zone will likely remain in the doldrums in the near term, while it believes that the impact in the local consumer zone is not that serious. Facing this challenging environment, the Group will closely monitor the performance of its distribution channels and retail network in order to maintain competitive advantage through restructuring and integration of retail outlets together with developing and managing a team of experienced and well-trained Chinese doctors to serve its customers. The Group wish to become the largest Chinese doctor team in Hong Kong. Besides, the Group will make good use of its recognised brand to promote more business partners to join us as franchisees so as to maintain its strong retail presence in the market as well as lowering its overall operational risk and costs.

In addition, the Group will accelerate the development of its traditional Chinese medicine (“TCM”) products in mainland China and Macau which can diversify the risk of market uncertainty and explore on the aged group market, in particular the silver hair group, in Hong Kong. The national policy for Guangdong-Hong Kong-Macau Greater Bay Area, as a key development area, provides a bright prospect for TCM development. With the reputation “Wai Yuen Tong” brand established in Hong Kong and overseas over the past centuries, and given that its production factory was granted the certificate of GMP for Proprietary Chinese Medicine of Hong Kong and the standard certificate of the PIC/S by the Therapeutic Goods Administration of Australia in the future when product regulation and market sale of Proprietary Chinese Medicine in the Greater Bay Area integrate, the Group will realise its great potential.

In Macau, the Group will expand its retail market through opening more retail outlets in the coming years. The Group will also enhance the distribution channel by partnering with distributors and casino operators, etc, which will focus on distributing its TCM products to the key accounts in Macau.

Regarding the Group’s Western pharmaceutical business, the Group expects a favourable growth in the sale of cough syrup to the private clinic market in Hong Kong and to the PRC through other distributors.

The Group will continuously expand cooperation with scientific research institutes and, based on TCM formulas and taking quality control measures as “Made in Hong Kong” products as quality control, promote scientific development in terms of regulation of Chinese Medicine.

The Group will continue to enhance its distribution network by penetrating into more local communities and diversify its product range to meet the needs of customers.

During early 2020, CAP has experienced challenges posed by COVID-19. In view of this, most of its agricultural produce exchange markets implemented health and hygiene measures to ensure the safety of all its employees, tenants and visitors. The epidemic has caused adverse impact to the performance of its markets, especially in Hubei Province. However, as COVID-19 began to be under control, the performance of its markets has been returned to normal.

Agricultural development is the PRC central government's first priority policy for the next consecutive five years. The PRC government promises to promote investments in agricultural produce markets, expand agricultural produce network, build logistic infrastructure and storage facilities of agricultural products and improve regional cold storage infrastructure. The Group believes it will be able to make use of the support from the PRC government and sustain the long term growth with the aim to delivering long term benefits to the Shareholders.

CONSOLIDATED FINANCIAL INFORMATION OF THE WOG GROUP FOR THE THREE YEARS ENDED 31 MARCH 2020

The consolidated financial information, together with the accompanying notes to the financial statements, of the WOG Group for each of the three financial years ended 31 March 2020 are disclosed on pages 75 to 206 of the annual report of WOG for the year ended 31 March 2018, pages 141 to 369 of the annual report of WOG for the year ended 31 March 2019 and pages 160 to 416 of the annual report of WOG for the year ended 31 March 2020 respectively, all of which are published on both the website of HKEXnews (www.hkexnews.hk) and the website of WOG (www.wangon.com).

MANAGEMENT DISCUSSION AND ANALYSIS ON THE WOG GROUP

Set out below is the management discussion and analysis of the results of the WOG Group for each of the financial years ended 31 March 2018, 2019 and 2020. The information is extracted from and based on the annual reports of WOG for the relevant periods. The management discussion and analysis should be read in conjunction with the financial information of the WOG Group included in the respective annual reports.

A. Management Discussion and Analysis for the year ended 31 March 2018**FINANCIAL AND BUSINESS OVERVIEW**

For the financial year ended 31 March 2018, the WOG Group's revenue and profit attributable to owners of the parent amounted to HK\$2,621.0 million (2017: HK\$869.4 million) and HK\$1,223.4 million (2017: HK\$423.7 million), respectively.

The WOG Group's revenue for the year ended 31 March 2018 increased by 201.5% to HK\$2,621.0 million (2017: HK\$869.4 million). It was mainly derived from recognised sales of completed residential properties at The Met. Bliss and included full year revenue of the Company which was accounted for using equity accounting during the first half year of prior period. Profit for the year was HK\$1,766.0 million, representing an increase of 368.1% compared with HK\$377.3 million reported for the year ended 31 March 2017. This result included the one-time gain on disposal of investments totaling HK\$1,714.4 million, comprising a profit of HK\$924.1 million on disposal of a 50% interest in Yau Tong residential project in June 2017, and a profit of HK\$790.3 million on the disposal of 60% interest in Whitehead residential project in September 2017. The profit attributable to owners of the parent was HK\$1,223.4 million (2017: HK\$423.7 million).

The WOG Group continued to maintain a stable financial position. As of 31 March 2018, the WOG Group's net assets were HK\$7,999.4 million (2017: HK\$6,426.3 million). Its cash resources amounted to HK\$2,990.5 million (2017: HK\$2,745.5 million) including cash and cash equivalents of HK\$2,664.4 million (2017: HK\$2,369.3 million) and short term investments of HK\$326.1 million (2017: HK\$376.2 million). In aggregate, the total borrowings as of 31 March 2018 was HK\$4,675.1 million (2017: HK\$4,081.3 million) giving the WOG Group a net debt

position (bank and other loans less cash and cash equivalents) of HK\$2,010.7 million (2017: HK\$1,712.0 million).

The review of the individual business segments of the WOG Group is set out below.

Property Development

Property development segment recorded revenue and segment profit of HK\$1,333.5 million and HK\$339.4 million, respectively (2017: HK\$46.0 million and a loss of HK\$2.6 million, respectively). The main contributor to the segment revenue was the recognised sales of The Met. Bliss.

The Met. Blossom

Located at Ma Kam Street, Ma On Shan, The Met. Blossom consists of 640 units with a total saleable area of approximately 200,000 square feet. Launched in August 2016, The Met. Blossom had achieved strong market response. As at 31 March 2018, 637 units had been pre-sold, representing 99.5% of the total number of units. WOP holds a 60% interest in this project.

The Met. Acappella

The Met. Acappella, situated at Tai Wai, Shatin, is a twin tower development with two wings of 12-and-13 storey residential blocks offering a total of 336 units. It comprises diversified unit layouts including studios, one-bedroom units, one-bedroom (with storeroom or study room) units, that account for over 80% of all units. The project also offers garden duplex units and penthouse units with rooftop terrace. The Met. Acappella is designed to incorporate the natural scenery of the neighbouring areas, enabling residents to enjoy fresh air and breathtaking green views in this bustling city. With the excellent and convenient transport network, The Met. Acappella also allows its residents to indulge in all-round shopping, dining, entertainment and leisure activities, satisfying the needs of pursuing quality lifestyle. Pre-sales of the project, launched in November 2017, had received positive response and strong performance. Up to 20 June 2018, 287 units had been pre-sold with a total pre-sale amount of HK\$1.9 billion.

Ladder Dundas

The construction works at the site at 575–575A Nathan Road, Mongkok had been completed and the occupation permit was granted in February 2018. This development is a 19-floor Ginza type commercial complex under the brand “Ladder”.

Yau Tong residential project

In June 2017, the WOP Group reached an agreement with the Lands Department on the land conversion price of the redevelopment project located at Nos. 13 and 15 Sze Shan Street,

Yau Tong with an amount of HK\$983.0 million. The site occupies an area of approximately 41,000 square feet with a gross floor area (“GFA”) of approximately 272,000 square feet. On 7 June 2017, the WOP Group disposed of 50% interest in this project to a subsidiary of CIFI Group and realised a gain of HK\$924.2 million. The foundation works of the site were completed and the site was undergoing superstructure works.

Whitehead residential project

On 19 May 2017, the WOP Group has successfully acquired a company holding a site at Sha Tin Town Lot No. 601. The residential project has a site area of approximately 253,000 square feet and a GFA of approximately 388,000 square feet. In November 2017, the WOP Group disposed of 60% interest in this project at a consideration of approximately HK\$2,441.3 million and led to an one-time gain of HK\$790.3 million. As at 31 March 2018, the site was undergoing foundation works.

Pokfulam residential project

In December 2017 and March 2018, the WOP Group entered into sales and purchase agreements for the acquisition of all of the 16 properties located at 86A–86D Pokfulam Road, Hong Kong. This project is capable of being redeveloped into a low-density luxurious residential properties. On 19 April 2018, the WOP Group disposed of 30% interest in a subsidiary holding of these properties at a consideration approximately HK\$103.8 million.

Tsing Yi residential project

On 12 April 2018, the WOP Group acquired a site located at the junction of Liu To Road and Hang Mei Street, Tsing Yi at a total consideration of HK\$867.3 million through public tender. The site, occupying an area of approximately 14,400 square feet, will be developed into a premium residential project under the exquisite series “The Met.”, with a residential and commercial GFA of approximately 90,000 square feet. The WOG Group is highly confident in the potential of this exclusive project, which is situated in a prestigious locale with stunning sea view.

As at 31 May 2018, the WOG Group had a development land portfolio as follows:

Location	Approximate site area <i>(square feet)</i>	Approximate GFA <i>(square feet)</i>	Intended usage	Anticipated year of completion
The Met. Blossom	33,300	200,000	Residential	2018
The Met. Acappella	71,000	148,000	Residential	2019
Yau Tong residential project	41,000	272,000	Residential and Commercial	2020
Whitehead residential project	253,000	388,000	Residential	2020
Pokfulam residential project	28,500	28,500	Residential	2021
Tsing Yi residential project	14,400	90,000	Residential and Commercial	2022

Property Investment

As at 31 March 2018, the investment properties of the WOG Group comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK\$1,951.8 million (31 March 2017: approximately HK\$1,668.8 million).

During the year ended 31 March 2018, the WOG Group received a gross rental income of approximately HK\$25.8 million (2017: approximately HK\$34.1 million), representing a decrease of approximately HK\$8.3 million. The decrease in gross rental income was primarily due to the disposal of some rental properties.

During the year ended 31 March 2018, the WOG Group continued to dispose of second-hand residential properties and realised HK\$82.3 million (2017: HK\$35.6 million). As at 31 March 2018, the WOG Group held 22 second-hand residential properties with valuation of HK\$121.6 million. In April 2018, WOP entered into a provisional agreement to sell office premises and certain car park units located in Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories for a cash consideration of HK\$324.5 million payable on completion scheduled in October 2018.

Fresh Markets

The fresh market business segment of the WOG Group continued to be an important profit and cash flow stream. The segment revenue grew by 15.6% to HK\$221.3 million (2017: HK\$191.5 million) resulting in an increase in net segment income by 10.5% to HK\$24.3 million

(2017: HK\$22.0 million). The rise in revenue was mainly attributable to the growth of rental income as a result of completion of renovation and revitalisation of certain fresh markets. Those fresh markets were reconfigured to offer a more comfortable and casual shopping experience. The low stall design made the revamped fresh markets permeable and spacious, allowing shoppers to locate their favourite stalls at a glance.

The fresh market business of the WOG Group, which has been built over the past two decades, is a high margin and cash flow generating business. During the year ended 31 March 2018, the WOG Group managed a portfolio of approximately 850 stalls under “Allmart” brand of fresh markets in Hong Kong with a GFA of over 210,000 square feet.

In mainland China, the WOG Group operated fresh market business through its joint venture (the “JV”) under the “Huimin” brand in various districts of Shenzhen, Guangdong Province. During the year ended 31 March 2018, the JV managed a portfolio of approximately 1,000 stalls fresh markets with a GFA of over 283,000 square feet, in which approximately 152,000 square feet was owned by the JV.

Pharmaceutical and Health Food Products Business

The Company made a very good progress on its business, with a revenue of HK\$826.8 million (2017: HK\$375.8 million) as the WOG Group reported its first full year operations versus 6 months in 2017. On annualised basis, the revenue growth was still remarkable and reached 12.0%.

Chinese pharmaceutical and health food products

“Wai Yuen Tong” business achieved substantial growth in terms of volume and market share of the Group’s health food products. The sales revenue grew by 19.5% to HK\$690.9 million, with gross profit up by 17.3% to HK\$263.3 million. This remarkable growth was mainly the result of executing the Group’s strategy of scaling up marketing spending and shedding of the lower margin products and distribution channels.

The Company’s new GMP certified production factory located in Yuen Long Industrial Estate was completed and commenced production in early April 2017. The new facility not only improved the manufacturing productivity, but also complemented the Group’s effort to pursue innovation, meet market demand and trend as well as expand product variety for its customers.

Western pharmaceutical

The western pharmaceutical business had been navigating a complex transition in both pricing and manufacturing strategy. As a result, sales fell by 9.3% to HK\$135.9 million with gross profit dropped by 13.5% to HK\$50.0 million. “Pearls” brand, a series of mosquito repellents products and over-the-counter medicines, remained popular and its distribution stores channels were well established. The management intended to further drive a stronger network and channel for the business growth of its western pharmaceutical business.

Treasury Management

The WOG Group maintained a robust financial position. Liquid investment amounted to HK\$1,635.9 million at 31 March 2018, an increase of 7.2% from the balance of HK\$1,525.4 million at 31 March 2017, mainly reflecting the cash arising from funds from operations and disposal of certain properties and subsidiaries. The liquid investments represented 79% of the debt securities, 17% of listed equity securities and 4% of fund investment.

This business segment contributed HK\$213.5 million (2017: HK\$136.9 million) to the revenue. Among other things, interest income from CAP amounted to HK\$112.8 million. As at 31 March 2018, the fair value and principal amount of the CAP Bonds held by the WOG Group amounted to approximately HK\$1,038.0 million and HK\$1,050.0 million (2017: approximately HK\$1,041.0 million and HK\$1,050.0 million), respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the WOG Group's total assets less current liabilities were HK\$11,435.0 million (2017: HK\$9,763.0 million) and the current ratio decreased from 2.3 times as at 31 March 2017 to 2.1 times as at 31 March 2018.

As at 31 March 2018, the WOG Group held cash resources and short-term investments of HK\$2,990.5 million (2017: HK\$2,745.5 million). Aggregate borrowings as at 31 March 2018 amounted to HK\$4,675.1 million (2017: HK\$4,081.3 million). The gearing ratio was approximately 25.1% (2017: 26.6%), calculated by reference to the WOG Group's total bank and other loans net of cash and cash equivalents and the total equity of the WOG Group.

As at 31 March 2018, the WOG Group's land and buildings, investment properties (including the investment properties included in assets held for sale), properties under development, properties held for sale, available-for-sales investments and financial assets at fair value through profit or loss with carrying value of HK\$483.2 million, HK\$1,868.8 million, HK\$1,168.3 million, HK\$576.5 million, HK\$239.6 million and HK\$96.6 million (2017: HK\$533.3 million, HK\$1,574.7 million, HK\$1,756.7 million, nil, nil and nil) were pledged to secure the WOG Group's general banking facilities.

The WOG Group's capital commitment as at 31 March 2018 amounted to HK\$1,567.0 million (2017: HK\$2,319.9 million) was mainly for property development business. The WOG Group had given guarantee to a bank in connection with a facility granted to the joint ventures of the WOG Group up to HK\$2,158.8 million and the banking facility guarantee by the WOG Group was utilised to the extent of HK\$1,033.3 million as at 31 March 2018.

The WOG Group strengthened and improved its financial risk control on a continual basis and had consistently adopted a prudent approach in financial management. Financial resources were under close monitor to ensure the WOG Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties.

DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2018, interest-bearing debt profile of the WOG Group was analysed as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Bank loans repayable:		
Within one year	1,470,021	763,948
In the second year	1,332,427	777,622
In the third to fifth years, inclusive	1,392,024	1,988,001
Beyond five years	<u>467,228</u>	<u>522,858</u>
	4,661,700	4,052,429
Other loans repayable:		
Within one year	<u>13,397</u>	<u>28,845</u>
	<u><u>4,675,097</u></u>	<u><u>4,081,274</u></u>

In order to meet the interest-bearing debts, business capital expenditure and funding needs for, *inter alia*, replenishment of the WOG Group's land bank, enhancing its portfolio of properties for investment and/or payment of construction costs for the development of the property development projects, the WOG Group had been from time to time considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bonds issuance, convertible notes, other debt financial instruments, and disposal of properties.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2018, the WOG Group held available-for-sale investment and financial assets at fair value through profit or loss of approximately HK\$1,355.8 million and HK\$280.1 million, respectively:

Nature of investments	As at 31 March 2018		For the year ended 31 March 2018				Fair value/carrying amount			
	Number of shares held '000	Amount held HK\$'000	Percentage to share-holding in such stock %	Percentage to the WOG Group's net assets %	Fair value gain/(loss) of assets at fair value through profit or loss HK\$'000	Bond interest income HK\$'000	Dividends received HK\$'000	As at 31 March 2018 HK\$'000	As at 31 March 2017 HK\$'000	Investment cost HK\$'000
Available-for-sale investments										
CAP – 10.09% 5-year Bonds	-	1,038,087	-	13.0	-	112,804	-	1,038,087	1,040,976	1,050,000
Others	-	317,667	-	4.0	-	15,653	-	317,667	129,731	317,135
Sub-total	-	1,355,754	-	17.0	-	128,457	-	1,355,754	1,170,707	1,367,135
Financial assets at fair value through profit or loss										
A. Listed investments										
Kingston Financial Group Limited	31,104	109,175	0.23	1.4	30,482	-	778	109,175	78,693	51,816
Others	-	159,622	-	2.0	(76,994)	-	2,537	159,622	220,354	173,117
B. Mutual Funds										
	-	3,662	-	0.0	338	-	-	3,662	41,225	10,846
C. Others										
	-	7,661	-	0.1	(6,763)	-	-	7,661	14,424	9,941
Sub-total	-	290,120	-	3.5	(52,937)	-	3,315	280,120	354,696	245,720
Total	-	1,635,874	-	20.5	(52,937)	128,457	3,3215	1,635,874	1,525,403	1,612,855

The principal activities of the underlying companies of the above investments were as follows:

1. CAP was principally engaged in the business of management and sales of properties in agricultural produce exchange markets in the PRC.
2. Kingston Financial Group Limited was principally engaged in provision of securities brokerage, underwriting and placements, margin and initial public offering financing, other financial services, hotel ownership and management, food and beverage, casino and securities investment.
3. Save as disclosed above, the WOG Group also invested in other shares listed in Hong Kong. The fair value of each of these shares represented less than 1.00% of the net assets of the WOG Group as at 31 March 2018.

4. Save as disclosed above, the WOG Group also invested in other mutual funds, the fair value of each of these mutual funds represented less than 1.00% of the net assets of the WOG Group as at 31 March 2018.

FOREIGN EXCHANGE

The management of the WOG Group was of the opinion that the WOG Group had no material foreign exchange exposure and therefore, the WOG Group did not engage in any hedging activities. As at 31 March 2018, the WOG Group held limited amount of foreign currency deposits, while all bank borrowings were denominated in Hong Kong dollars. The revenue of the WOG Group, also being mostly denominated in Renminbi and Hong Kong dollar, matched the currency requirements of the WOG Group's operating expenses.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the WOG Group had 943 (2017: 922) employees, of whom approximately 81% (2017: 19%) were located in Hong Kong and the rest were located in mainland China. The WOG Group remunerated its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options might be granted to selected staff by reference to the WOG Group's as well as the individual's performances. The WOG Group also provided a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong and had launched a defined scheme of remuneration and promotion review to accommodate the above purpose and review was normally carried out annually. Other forms of benefits such as medical and retirement benefits and structured training programs were also provided.

CONTINGENT LIABILITIES

As at 31 March 2018, WOG Group has given guarantees to a bank in connection with facilities granted to joint ventures up to HK\$2,158,800,000 as at 31 March 2018 (31 March 2017: Nil) and the banking facility guaranteed by WOG Group to joint ventures was utilised to the extent of HK\$1,033,300,000 as at 31 March 2018 (2017: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

On 7 June 2017, the WOP Group entered into a sale and purchase agreement in respect of the disposal of 50% of the entire issued share capital and the assignment of 50% of a shareholder's loan of Wonder Sign Limited ("**Wonder Sign**"), the then indirectly wholly-owned subsidiary of WOP, to Xu Qi Co. Limited, an indirectly wholly owned subsidiary of CIFI Holdings (Group) Co. Ltd., for a consideration of approximately HK\$713.7 million. Wonder Sign, through its wholly-owned subsidiary, held the project at Nos. 13 and 15 Sze Shan Street, Yau Tong. For further details, please refer to the announcement dated 7 June 2017 jointly issued by WOG and WOP and the circular dated 26 July 2017 issued by WOG.

On 8 September 2017, the WOP Group entered into an agreement in respect of the disposal of 60% of the entire issued share capital, and the assignment of 60% of a shareholder's loan of Ease Mind Investments Limited (“**Ease Mind**”), the then indirectly wholly-owned subsidiary of WOP, to Clear Idea International Limited, an indirect wholly-owned subsidiary of Country Garden Holdings Company Ltd., at the consideration of approximately HK\$2,441.3 million. Ease Mind, through its wholly-owned subsidiary, held the site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot No. 601). For further details, please refer to the announcement dated 11 September 2017 jointly issued by WOG and WOP and the circular dated 11 October 2017 issued by WOG.

B. Management Discussion and Analysis for the year ended 31 March 2019

FINANCIAL RESULTS

For the financial year ended 31 March 2019, the WOG Group's revenue and profit attributable to owners of the parent amounted to approximately HK\$4,009.1 million (2018: HK\$2,621.0 million) and HK\$419.8 million (2018: HK\$1,223.4 million), respectively.

BUSINESS REVIEW

The WOG Group's revenue for the year ended 31 March 2019 increased by 53.0% to HK\$4,009.1 million (2018: HK\$2,621.0 million). This growth was mainly attributable to an increase in sales revenue from property segment driven by sales recognition from the completion of The Met. Blossom. Profit for the year was HK\$893.4 million (2018: HK\$1,766.0 million), representing a decrease of 49.4% over last year, due to the impact of an one-time gain of HK\$1,714.4 million from the disposal of 50% equity interest in Yau Tong residential project (“**NOUVELLE**”) in June 2017 and disposal of 60% equity interest in Whitehead residential project (“**Altissimo**”) in September 2017. The profit attributable to owners of the parent was HK\$419.8 million (2018: HK\$1,223.4 million).

The WOG Group continued to maintain a strong financial positioning. As of 31 March 2019, the WOG Group's net assets were HK\$8,005.5 million (2018: HK\$7,999.4 million). Its cash resources amounted to HK\$3,299.7 million (2018: HK\$2,990.5 million) including cash and cash equivalents of HK\$2,318.2 million (2018: HK\$2,664.4 million) and short term investments of HK\$981.5 million (2018: HK\$326.1 million). In aggregate, the total borrowings as of 31 March 2019 was HK\$5,521.8 million (2018: HK\$4,675.1 million) giving the WOG Group a net debt position (bank and other loans less cash and cash equivalents) of HK\$3,203.6 million (2018: HK\$2,010.7 million).

The review of the individual business segments of the WOG Group is set out below.

Fresh Markets

The operating profit from the fresh market business segment, which had been a consistent source of profit and cash, grew by 13.2% to HK\$27.5 million (2018: HK\$24.3 million). Revenue from this segment decreased as expected by 14.9% to HK\$188.4 million (2018: HK\$221.3 million) as a result of the expiration of the leases of certain fresh markets during this financial year, namely Kai Tin Estate in Lam Tin, Hang On Estate in Ma On Shan and Po Lam Estate in Tseung Kwan O. However, the decrease was partially offset by a new fresh market located at Ying Tung Estate in Tung Chung which commenced operation in September 2018. Another new fresh market located at Mun Tung Estate in Tung Chung was also in the pipeline for launch in the second half of 2019.

The WOG Group's fresh market business, which had been built over the past two decades, had been a high profit margin and cash flow generating business. During the year ended 31 March 2019, the WOG Group managed a substantial portfolio of 700 stalls under the "Allmart" brand of fresh markets in Hong Kong with a total gross floor area ("GFA") of over 162,000 square feet.

Along with the existing fresh market business on a stable footing, the WOG Group plans to take steps forward in building a portfolio of self-owned fresh markets in Hong Kong through joint ventures. This property portfolio shall form a core strategic platform to speed the growth of the WOG Group's fresh market business. On 24 January 2019, the WOP Group successfully won a bid to acquire a retail podium and car parking spaces at Lake Silver, No. 599 Sai Sha Road, Ma On Shan, Sha Tin, for a consideration of HK\$653 million. A joint venture was subsequently formed by divesting 50% of the WOP Group's equity interest in this investment on 29 April 2019. This new property will facilitate the WOG Group's plan to build a modern fresh market for urban living. On 30 April 2019, WOP entered into a provisional agreement for the acquisition of the commercial accommodation and car parking spaces at The Parkside, No. 18 Tong Chun Street, Tseung Kwan O for a consideration of HK\$780 million. A joint venture was also subsequently formed by divesting 50% of the WOP Group's equity interest in this investment on 21 June 2019. The WOG Group is confident that the combination of its expertise in property investment and fresh market operation will deliver strong synergy to create unique business value to fuel further growth of this segment.

In mainland China, the WOG Group operates fresh market business through its joint venture under the "Huimin" brand in various districts of Shenzhen, Guangdong Province. During the year ended 31 March 2019, the joint venture managed a portfolio of approximately 1,000 stalls with a GFA of over 283,000 square feet, in which approximately 152,000 square feet are owned by the joint venture.

Property Development

Property development segment recorded revenue and segment profit of HK\$2,827.0 million and HK\$1,051.6 million, respectively (2018: HK\$1,333.5 million and HK\$339.4 million, respectively). The main contributor to the segment revenue was the recognised sales of The Met. Blossom.

The Met. Acappella

As at the date of the 2019 annual report, 93.5% of the total of 336 units had been sold with an amount of HK\$2.3 billion. The project had been completed in the first quarter of 2019.

maya by NOUVELLE

“NOUVELLE” is a new luxury residential brand series. The brand’s first premium luxury residential project, “maya”, is located at No. 8 Shung Shan Street and No. 15 Sze Shan Street, Yau Tong. This residential project, co-developed by WOP and CIFI Holdings (Group) Co. Ltd., will have a total GFA of 272,000 square feet. WOP holds a 50% stake in the project. It comprises two residential towers on a podium with a shopping arcade. It will offer a total of 326 units of different layout designs, including standard two to three bedroom units and special units. Presenting a modern and clean outlook, exceptional green landscape and a large clubhouse, the project offers residents a luxurious and cozy living environment. Pre-sale was launched in mid of March 2019 with a strong market response. As of the date of 2019 annual report, 50% of the total of 326 units had been pre-sold with a total pre-sale amount of HK\$1.6 billion.

Altissimo

The residential project, Altissimo, located at Sha Tin Town Lot No. 601, is co-developed by WOP, Country Garden Holdings Company Limited and China State Construction International Holdings Limited. The project features its prime location in front of Starfish Bay, an ecological treasure in the natural reserve area, and with Ma On Shan Country Park at its back. It also enjoys the unparalleled natural advantage with the picturesque view of Pat Sin Leng and within walking distance of the Whitehead Club. The project has a GFA of 388,000 square feet and will provide 547 units. WOP holds a 40% stake in this project. Adding top-class construction materials and delicate designs to its strength, the project will set a new model of new premium residential projects in that area. As of the date of 2019 annual report, 62% of the total of 547 units had been pre-sold with an amount of HK\$2.9 billion.

Pokfulam residential project

In April 2018, the WOP Group completed the acquisition of all of the 16 properties located at 86A–86D Pokfulam Road, Hong Kong. This project is capable of being redeveloped into a low-density premium residential property. On 19 April 2018, the WOP Group disposed of 30% equity interest in a subsidiary holding these properties at a consideration of HK\$103.8 million.

Tsing Yi residential project

On 12 April 2019, the WOP Group acquired a site located at the junction of Liu To Road and Hang Mei Street, Tsing Yi at a total consideration of HK\$867.3 million through public tender. The site, occupying an area of approximately 14,400 square feet, will be developed into a premium residential project under the exquisite series “The Met.”, with a residential and commercial GFA of approximately 90,000 square feet. The WOG Group is highly confident in the potential of this exclusive project, which is situated in a prestigious locale with stunning sea view.

As at 31 May 2019, the WOG Group had a development land portfolio as follows:

Location	Approximate site area (square feet)	Approximate GFA (square feet)	Intended usage	Anticipated year of completion
The Met. Acappella	71,000	148,000	Residential	2019
maya by NOUVELLE	41,000	272,000	Residential and Commercial	2020
Altissimo	253,000	388,000	Residential	2020
Pokfulam residential project	28,500	28,500	Residential	2021
Tsing Yi residential project	14,400	90,000	Residential and Commercial	2022

Property Investment

As at 31 March 2019, the WOG Group’s investment properties comprised commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK\$1,515.0 million (31 March 2018: approximately HK\$1,951.8 million).

During the year ended 31 March 2019, the WOG Group received gross rental income of approximately HK\$24.3 million (2018: approximately HK\$25.8 million), representing a decrease of approximately HK\$1.5 million. The decrease in gross rental income was primarily due to the disposal of some rental properties.

During the year ended 31 March 2019, the WOG Group continued to dispose of secondhand residential properties and realised HK\$28.4 million (2018: HK\$82.3 million). As at 31 March 2019, the WOG Group still held 17 secondhand residential properties with valuation of HK\$94.4 million.

Pharmaceutical and Health Food Product

2019 was a challenging year for the WOG Group's pharmaceutical and health food products segment operated through the Group with revenue totaling HK\$733.8 million (2018: HK\$826.8 million), representing a drop of 11.2%. For the year ended 31 March 2019, there was a turnaround to the overall performance of this business due to, among others, a gain on bargain purchase of additional equity interests in an associate, improvement in results of such associate, the revaluation gain of the WOG Group's properties and the reversal of impairment losses on financial asset due to adoption of HKFRS 9, net of the increase in segment losses.

Chinese Pharmaceutical and Health Food Products

The Chinese pharmaceutical segment of the Group, in Hong Kong, held a portfolio of around 120 health supplements and products with approximately 38% of sales coming from 5 core products. Hou Tsao Powder and Monkey Bezoar Powder are generic anticough and secretory Chinese pharmaceutical products with combined sales accelerated to HK\$55.3 million by 8.6% primarily contributed by of both volume and price growth. Stroke prevention supplementation is a fast growth market in Hong Kong in which the Group had 3 series of products: namely Angong Niu Huang Wan, Angong Zaizao Wan and Angong Jiangya Wan. Total sales of these series of products grew more than ninety-fold to HK\$29.7 million driven by commercial success on product strategies and promotion activities. Sales of Young Yum Pill, the Group's iconic health supplementation product, also grew 31.5% to HK\$41.3 million.

Retail sales in Hong Kong and Macau fell by 4.5% to HK\$423.2 million primarily as a result of fierce competition in herbal medicine sales. Nevertheless, the Group's products remained popular with leading market shares driven by effective commercial strategy and heavy up marketing campaigns on brand promotion. Sales from channel operation recorded a decline of 24.7% to HK\$201.6 million (2018: HK\$267.9 million) due to tightening of credit terms to trade customers. While revenue growth is one of the Group's key financial targets, tying up excessive cash in working capital (due to credits given to trade customers) is not an ideal way to achieve the target. The Group has been moving forward to secure trade customers portfolio that meet its key selection criteria of financial condition and sales abilities.

"Wai Yuen Tong" brand is a reputable household name established over a century ago. The Group will continue to promote its brand value to maintain a leading market position in Chinese pharmaceutical and health food product markets.

In April 2017, the Chinese pharmaceutical business of the Group transferred the majority of production to the new GMP certified factory located in Yuen Long. Since then, the management has been facing challenges in ramping up the manufacturing and warehouse facilities to full operational status. These involved additional spending to meet evolving production and quality assurance requirements. In view of pressure due to rising costs, the management has stepped up its efforts in managing production cost and optimising product formula with an aim to improve profit margins. In the long run, the new facility is expected to improve productivity, and position the business well for sustainable growth.

Western Pharmaceutical and Health Food Products

The Group's western pharmaceutical business had been navigating a complex transition in business strategy. As a result, sales fell 14.7% to HK\$116.0 million with gross profit dropped 20.4% to HK\$39.8 million. "Pearl's" and "Madame Pearl's" brand, a series of mosquito repellents products and over-the-counter medicines, remained popular and their distribution stores channels were well established. The business in mainland China, however, suffered from a decline and experienced challenges in developing new distribution channels. It was necessary that the Group take a transformation to adapt to the challenging market environment. The Group is exploring the possibility to shift from gross sales business model to a fee-for-licensing business model in mainland China. Under this business model, the sales revenue from western pharmaceutical business will be reduced but there is no adverse impact on profit given the license fees to be received. Another option is to set up or acquire a GSP-certified vehicle to sell our products directly to distributors that on-sell them to retail outlets. The Group will continue to put back capital for business with low profit margin and no strategic value.

With core strategic focus on sales channel expansion and gaining market share in Hong Kong and potential new business model in mainland China, the WOG Group believes that the contribution from the "Pearls" and "Madame Pearl's" brand products will turn around and resume growth. The WOG Group's intention is to further drive a stronger network and channel for the business growth for this segment.

Treasury Management

The WOG Group continued to maintain a robust financial position. Liquid investment amounted to HK\$1,725.9 million as of 31 March 2019, an increase of 5.5% from the balance of HK\$1,635.9 million as of 31 March 2018, mainly reflecting the cash arising from funds from operations and disposal of certain properties and subsidiaries. The liquid investments represented 87.9% of the debt securities, 8.8% of equity securities and 3.3% of fund investment.

This business segment contributed HK\$241.5 million (2018: HK\$213.5 million) to the revenue. Among other things, interest income from CAP amounted to HK\$99.8 million. As at 31 March 2019, the fair value and principal amount of the CAP Bonds held by the WOG Group amounted to approximately HK\$785.0 million and HK\$800 million (2018: approximately HK\$1,038.0 million and HK\$1,050.0 million), respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the equity attributable to owners of the parent increased by 1.6% to HK\$5,891.0 million (2018: HK\$5,799.5 million). The WOG Group's total equity, including the non-controlling interests, increased to HK\$8,005.5 million (2018: HK\$7,999.4 million) as at 31 March 2019.

As at 31 March 2019, the WOG Group's total assets were HK\$16,417.9 million (2018: HK\$15,916.5 million). Total cash and cash equivalent held amounted to HK\$2,318.2 million (2018: HK\$2,664.4 million) as at 31 March 2019. The WOG Group also maintained a portfolio of liquid investments with an aggregate market value of HK\$1,725.9 million (2018: HK\$1,635.9 million) as at 31 March 2019, which was immediately available for use when in need.

The WOG Group operated a central cash management system for unlisted subsidiaries. As at 31 March 2019, the WOG Group's total debt amounted to HK\$5,521.8 million (2018: HK\$4,675.1 million). Excluding the total debt of WOP and the Company, WOG's own debt amounted to HK\$631.5 million (2018: HK\$657.3 million) as at 31 March 2019. The WOG Group's gearing ratio (calculated by reference to the WOG Group's total bank and other loans net of cash and cash equivalents and the total equity of WOG Group) was approximately 40.0% (2018: 25.1%) as at 31 March 2019. An analysis of the net debt is shown below:

Net debt	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
WOG	363,415	(28,957)
WOP	2,159,105	1,533,522
The Company	<u>681,018</u>	<u>506,168</u>
 Total	 <u><u>3,203,538</u></u>	 <u><u>2,010,733</u></u>

As at 31 March 2019, the WOG Group's land and buildings, investment properties (including the investment properties included in assets held for sale), properties under development, properties held for sale, available-for-sales investments, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss with carrying value of HK\$471.1 million, HK\$1,345.5 million, HK\$3,216.4 million, HK\$688.2 million, nil, HK\$575.5 million and HK\$77.5 million (2018: HK\$483.2 million, HK\$1,868.8 million, HK\$1,168.3 million, HK\$576.5 million, HK\$239.6 million, nil and HK\$96.6 million) were pledged to secure the WOG Group's general banking facilities.

The WOG Group's capital commitment as at 31 March 2019 amounted to HK\$956.9 million (2018: HK\$1,567.0 million) was mainly for property development business. The WOG Group had given guarantee to a bank in connection with a facility granted to the joint venture of the WOG Group up to HK\$2,440.4 million and the banking facility guarantee by the WOG Group

was utilised to the extent of HK\$1,297.5 million as at the end of the reporting period. An analysis is shown below:

	General banking facilities	Total bank borrowings
	<i>HK\$'000</i>	<i>HK\$'000</i>
WOG	913,051	631,525
WOP	5,540,060	3,850,440
The Company	<u>1,634,750</u>	<u>852,227</u>
Total	<u><u>8,087,861</u></u>	<u><u>5,334,192</u></u>

The WOG Group strengthened and improved its financial risk control on a continual basis and had consistently adopted a prudent approach in financial management. Financial resources were under close monitor to ensure the WOG Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. The management of the WOG Group is of the opinion that the WOG Group's existing financial structure is healthy and related resources are sufficient to cater for the WOG Group's operation needs in the foreseeable future.

DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2019, interest-bearing debt profile of the WOG Group was analysed as follows:

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank loans repayable:		
Within one year or on demand	2,124,044	1,470,021
In the second year	1,245,360	1,332,427
In the third to fifth years, inclusive	1,554,053	1,392,024
Beyond five years	<u>410,735</u>	<u>467,228</u>
	5,334,192	4,661,770
Other loans repayable:		
Within one year or on demand	–	13,397
In the third to fifth years, inclusive	<u>187,570</u>	<u>–</u>
	<u><u>5,521,762</u></u>	<u><u>4,675,097</u></u>

In order to meet the interest-bearing debts, business capital expenditure and funding needs for, *inter alia*, replenishment of the WOG Group's land bank, enhancing its portfolio of properties for investment and/or payment of construction costs for the development of the property development projects, the WOG Group had been from time to time considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bonds issuance, convertible notes, other debt financial instruments, and disposal of properties.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2019, the WOG Group held financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss of approximately HK\$1,573.7 million and HK\$152.2 million, respectively:

Nature of investments	As at 31 March 2019		For the year ended 31 March 2019			Fair value/carrying amount		
	Amount held HK\$'000	Percentage to the WOG Group's net assets %	Fair value gain/(loss) HK\$'000	Bond interest income HK\$'000	Dividends received HK\$'000	As at 31 March 2019 HK\$'000	As at 31 March 2018 HK\$'000	Investment cost HK\$'000
Financial assets at fair value through other comprehensive income:								
A. Equity investment	107,321	1	(85,826)	-	1,841	107,321	187,493	120,488
B. Debt investments								
C. Bonds CAP - 10%								
5-year Bonds	785,002	10	(5,778)	99,789	-	785,002	1,038,087	800,000
Others	681,338	8	6,183	39,624	-	681,338	255,627	665,759
Sub-total	1,573,661	19	(85,421)	139,413	1,841	1,573,661	1,481,207	1,586,247
Financial assets at fair value through profit or loss:								
A. Equity investments	47,225	1	1,776	-	904	47,225	81,304	40,000
B. Funds	50,595	1	(773)	-	-	50,595	59,969	59,555
C. Bonds	48,192	1	2,675	1,868	-	48,192	5,733	47,235
D. Others	6,184	-	(1,477)	-	-	6,184	7,661	9,941
Sub-total	152,196	3	2,201	1,868	904	152,196	154,667	156,731
Total	1,725,857	22	(83,220)	141,281	2,745	1,725,857	1,635,874	1,742,978

The principal activities of the underlying companies of the above investments are as follows:

1. CAP was principally engaged in the business of management and sales of properties in agricultural produce exchange markets in the PRC.
2. Save as disclosed above, the WOG Group also invested in other shares listed in Hong Kong. The fair value of each of these shares represented less than 1.0% of the net assets of the WOG Group as at 31 March 2019.
3. Save as disclosed above, the WOG Group also invested in other funds, the fair value of each of these funds represented less than 1.0% of the net assets of the WOG Group as at 31 March 2019.

FOREIGN EXCHANGE

The management of the WOG Group was of the opinion that the WOG Group had no material foreign exchange exposure and therefore, the WOG Group did not engage in any hedging activities. As at 31 March 2019, the WOG Group held limited amount of foreign currency deposits, while all bank borrowings were denominated in Hong Kong dollars. The revenue of the WOG Group, also being mostly denominated in Renminbi and Hong Kong dollar, matched the currency requirements of the WOG Group's operating expenses.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the WOG Group had 920 (2018: 943) employees, of whom approximately 84% (2018: 81%) were located in Hong Kong and the rest were located in mainland China. The WOG Group remunerated its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the WOG Group's as well as the individual's performances. The WOG Group also provided a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong and had launched a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually. Other forms of benefits such as medical and retirement benefits and structured training programs were also provided.

CONTINGENT LIABILITIES

As at 31 March 2019, WOG Group has given guarantees to a bank in connection with facilities granted to joint ventures up to HK\$2,440,400,000 as at 31 March 2019 (31 March 2018: HK\$2,158,800,000) and the banking facility guaranteed by WOG Group to joint ventures was utilised to the extent of HK\$1,297,450,000 as at 31 March 2019 (2018: HK\$1,033,300,000). The WOG Group did not recognize any liabilities in respect of such corporate financial

guarantees as the directors of WOG Group consider that the possibility of default of the parties involved is remote.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

On 12 April 2018, the WOP Group entered into a preliminary agreement in respect of the disposal of the entire issued share capital and assignment of a shareholder's loan of PT Harvest Holdings Limited ("**PT Harvest**") to Fong's Manufacturers Company Limited, a direct wholly-owned subsidiary of CHTC Fong's International Company Limited, at a consideration of approximately HK\$324.5 million. PT Harvest principally held office units and carparks spaces located at Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories. For further details, please refer to the announcement dated 12 April 2018 jointly issued by WOG and WOP.

On 19 April 2018, the WOP Group entered into a sale and purchase agreement in respect of the disposal of 30% of the entire issued share capital and assignment of a shareholder's loan of Golden Noble Investments Limited ("**Golden Noble**") to Kam Wah Ever Rich Limited at a consideration of HK\$103.8 million. Golden Noble, through its wholly-owned subsidiary, held a property development project of certain properties on Pok Fu Lam Road, Hong Kong. For further details, please refer to the announcement dated 19 April 2018 jointly issued by WOG and WOP.

C. Management Discussion and Analysis for the year ended 31 March 2020

FINANCIAL RESULTS

For the financial year ended 31 March 2020, the WOG Group's revenue and profit attributable to owners of the parent amounted to HK\$3,440.7 million (2019: HK\$4,009.1 million) and HK\$275.8 million (2019: HK\$419.8 million), respectively.

BUSINESS REVIEW

The WOG Group's revenue for the year ended 31 March 2020 decreased by 14.2% to HK\$3,440.7 million (2019: HK\$4,009.1 million). The reduction in revenue is mainly due to a decrease in sales revenue from property segment as a result of lesser sales recognition from completion of properties sales. Profit for the year was HK\$439.7 million (2019: HK\$893.4 million), representing a decrease of 50.8% over last year, mainly due to the impact of fair value losses on investment properties for the year ended 31 March 2020 as opposed to recording fair value gains on investment properties last year, fair value loss of financial assets at fair value through profit or loss and increase in finance cost.

The profit attributable to owners of the parent was HK\$275.8 million (2019: HK\$419.8 million).

The WOG Group continued to maintain a strong financial position.

As of 31 March 2020, the WOG Group's net assets were HK\$9,041.7 million (2019: HK\$8,005.5 million). Its cash resources amounted to HK\$1,974.0 million (2019: HK\$3,299.7 million) including cash and bank balances of HK\$1,584.0 million (2019: HK\$2,318.2 million) and short-term investments of HK\$390.0 million (2019: HK\$981.5 million). In aggregate, the total borrowings as of 31 March 2020 was HK\$6,205.0 million (2019: HK\$5,521.8 million) giving the WOG Group a net debt position (total borrowings less total cash and bank balances) of HK\$4,621.0 million (2019: HK\$3,203.6 million). The review of the individual business segments of the WOG Group is set out below.

Property Development

WOP is a premium property development company with focus on Hong Kong residential and commercial property market. Property development segment recorded revenue and segment profit of HK\$2,368.4 million and HK\$799.4 million, respectively (2019: HK\$2,827.0 million and HK\$1,051.6 million, respectively). The main contributor to the segment revenue was mainly due to completion and delivery of The Met. Acappella. As at the date of the 2020 annual report of WOG, all units of this project were sold.

maya by NOUVELLE

“NOUVELLE” is a new luxury residential brand series. The brand's first premium luxury residential project, “maya”, is located at No. 8 Shung Shan Street and No. 15 Sze Shan Street, Yau Tong. This residential project is co-developed by the WOP Group and CIFI Holdings (Group) Co. Ltd. The WOP Group holds a 50% stake in the project. As at the date of the 2020 annual report, 253 out of 309 units released were sold and the contracted sales amounted to HK\$2.9 billion. The project is undergoing the construction of the superstructure and is expected to be delivered this year.

Altissimo

The residential project, Altissimo, located at Sha Tin Town Lot No. 601 Whitehead, Ma On Shan, is co-developed by the WOP Group, Country Garden Holdings Company Limited and China State Construction International Holdings Limited and was launched in December 2018. The project features its prime location in front of Starfish Bay, an ecological treasure in the natural reserve area, and with Ma On Shan Country Park at its back. It also enjoys the unparalleled natural advantage with the picturesque view of Pat Sin Leng and within walking distance of the Whitehead Club. Adding top-class construction materials and delicate designs to its strength, the project will set a new model of new premium residential projects in that area. As at the date of the 2020 annual report, 429 out of 534 units released were sold and the contracted sales amounted to HK\$3.7 billion. The occupation permit of this project was granted and is expected to be delivered in this year. The WOP Group owns 40% equity interest in this property development project.

Pokfulam residential project

In April 2018, the WOP Group completed the acquisition of all of the 16 properties located at No. 86A–86D Pokfulam Road, Hong Kong. The site will be redeveloped into luxurious properties and is undergoing the site work. The WOP Group owns 70% equity interest in this property development project.

Tsing Yi residential project

The new “The Met” project located at Tsing Yi Town Lot No. 192, at the junction of Liu To Road and Hang Mei Street, Tsing Yi is undergoing the superstructure work. The land is situated within a developed community with comprehensive amenities, including large shopping malls such as Maritime Square, as well as Tsing Yi Park, Tsing Yi Sports Ground and Tsing Yi Swimming Pool, that can provide a wide variety of leisure and shopping choices for residents. It also has the convenience of easy accessibility, being within several minutes’ ride to Tsing Yi MTR Station, and is also connected with major highways, including Tsing Ma Bridge, Tai Lam Tunnel, and Ting Kau Bridge of Tuen Mun Road. It can be used for both commercial and residential development and is designed to provide a public transportation terminal (minibus station). The project is wholly owned by WOP Group.

As at 31 May 2020, the WOG Group had a development land portfolio as follows:

Location	Approximate site area <i>(square feet)</i>	Approximate gross floor area <i>(square feet)</i>	Intended Usage	Anticipated Year of Completion
maya by NOUVELLE	41,000	272,000	Residential and Commercial	2020
Altissimo	253,000	388,000	Residential	2020
Pokfulam residential project	28,500	28,500	Residential	2021
Tsing Yi residential project	14,400	90,000	Residential and Commercial	2022

Fresh Markets

The fresh market business segment, which is a consistent source of profit and cash, record an increase in revenue by 41.0% to HK\$265.7 million (2019: HK\$188.4 million) as a result of additional revenue from the operation of agricultural produce exchange markets of CAP following the completion of its acquisition during the year, and also new revenue streams brought by butchery business. Segment profit increased by 8.0% to HK\$29.7 million (2019: HK\$27.5 million).

The WOG Group's fresh market business, which has been built over the past two decades. During the year ended 31 March 2020, the WOG Group managed a substantial portfolio of approximately 800 stalls under the "Allmart" brand and "Day Day Fresh" brand of fresh markets in Hong Kong with a total gross floor area of over 200,000 square feet. In order to meet rising customer expectation, the WOG Group strives to offer a more comfortable and spacious shopping environment through well-designed layouts, enhancement works and high quality management services. The WOG Group will continue to strengthen the partnership with its tenants and local communities by launching effective marketing and promotion events, and thereby improving shopping experiences at its fresh markets.

Along with the existing fresh market business on a stable footing, the WOG Group had commenced building a portfolio of self-owned fresh markets in Hong Kong through joint ventures.

In January 2019, the WOP Group successfully won a bid to acquire a retail podium and car parking spaces at Lake Silver, No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories at a consideration of HK\$653.0 million. In April 2019, the WOP Group has divested 50% equity interest in this investment by forming a joint venture. The acquisition completed on 16 May 2019. The WOG Group has refurbished part of the property and as a fresh market and taken the management under the brand "Day Day Fresh" inside the retail podium. The fresh market has already opened in May 2020.

Moreover, in April 2019, the WOP Group entered into a provisional agreement for the acquisition of the commercial accommodation and car parking spaces at The Parkside, No. 18 Tong Chun Street, Tseung Kwan O, New Territories for a consideration of HK\$780.0 million. A joint venture was formed by divesting 50% of the WOP Group's equity interest on it. The acquisition completed on 4 July 2019. The WOG Group has refurbished part of the property as a fresh market and taken the management under the brand "Day Day Fresh" inside the commercial accommodation. The fresh market has already opened in January 2020. The WOG Group is confident that the combination of its expertise in property investment and fresh market operation shall deliver strong synergy to create unique business value to fuel further growth of this segment.

In October 2019, the WOG Group entered into butchery business by capturing synergies with its existing fresh market operations. The WOG Group aims to seize opportunities in every manner possible, focusing on building a chain of butchery shops with a strong cash flow and steady operating profit. For the year ended 31 March 2020, the butchery business generated revenue of approximately HK\$33.5 million. The WOG Group believes Hong Kong people's pork dietary habit, combined with its well established fresh market network, can allow for rapid growth and a relatively low-risk development of this new business. The WOG Group's target is to continue expand the butchery stores and drive to optimise the operation platform of fresh market and butchery business so as to maximise synergies. As at the date of the 2020 annual report, 12 butchery stores were in operation.

In Mainland China, the WOG Group operates fresh market business through its joint venture under the “Huimin” brand in various districts of Shenzhen, Guangdong Province, the PRC. The joint venture currently manages a portfolio of approximately 1,000 stalls with a GFA of over 283,000 square feet, in which approximately 152,000 square feet are owned by the joint venture. Following the issuance of urban redevelopment policy by Shenzhen Government, some of the fresh markets may be affected. The WOG Group will continue to closely monitor the latest development, particularly the impact on the land-use rights of its fresh market properties.

Following the WOG acquisition during the year of a controlling interest in CAP through the Company, the WOG Group, through CAP, now operated 11 agricultural produce exchange markets across five provinces in the PRC. The acquisition of these agricultural produce exchange markets expanded significantly the WOG Group’s presence in the fresh market segment in the PRC. CAP Group operates various agricultural produce exchange markets in Hubei, Henan, Guangxi Zhuang Autonomous Region, Jiangsu Province and Liaoning Province of the PRC. During the year ended 31 March 2020, the outbreak of the coronavirus significantly affected the market performance during early 2020 in particular for these markets in Hubei. As the pandemic began under control, the performance of these markets returned to normal. Apart from this, both the operating performance and market ranking of the markets remarked steady progress.

Property Investment

As at 31 March 2020, the WOG Group’s investment properties in Hong Kong comprised of commercial, industrial and residential units with a total carrying value of approximately HK\$1,058.4 million (31 March 2019: approximately HK\$1,515.0 million).

During the year ended 31 March 2020, the WOG Group received gross rental income of approximately HK\$20.6 million.

During the year ended 31 March 2020, the WOG Group continued to dispose of secondhand residential properties and realised HK\$41.3 million (2019: HK\$28.4 million). As at 31 March 2020, the WOG Group still held 10 secondhand residential properties with valuation of HK\$59.9 million.

Pharmaceutical and Health Food Product Business

The year ended 31 March 2020 was a challenging year for the WOG Group’s pharmaceutical and health food products segment with revenue totaling HK\$560.1 million (2019: HK\$733.8 million), representing a drop of 23.7%. The continuous social unrest and COVID-19 pandemic have unavoidably hurt the inbound tourism, which directly impact on the WOG Group’s retail sales, in particular for those districts where were originally very popular with the mainland tourists.

Chinese Pharmaceutical and Health Food Products

Total sales of the Chinese pharmaceutical and health food products decreased by 25.6% to HK\$459.8 million. The WOG Group continued to promote and develop a series of TCM healthcare products for common diseases of urban people. Stroke prevention supplementation is a fast growth market in Hong Kong in which “Wai Yuen Tong” has three series of TCM products to cover the market: namely Angong Niuhuang Wan, Angong Zaizao Wan and Angong Jiangya Wan. The series is registered in Hong Kong according to ancient prescriptions or nationally recognised prescription and its whole production process is carried out at its Good Manufacturing Practice or The Pharmaceutical Inspection Co-operation Scheme factory in Yuen Long, Hong Kong. During the existing pandemic environment, Angong Niuhuang Wan is considered as good for health product which is increasingly popular in the market from time to time.

The Group targeted better cost efficiency through further optimisation of its retail sales network and distribution channels. It had enhanced the distribution channel by partnering with a strong distributor since the fourth quarter of 2018 which will focus on distributing its products to the key accounts in Hong Kong. By the end of the year, the Group had over 55 retail outlets in Hong Kong. The enhanced distribution network helps strengthen the WOG Group’s sales and brand recognition. A strong network has been laid down for a sustainable growth in the future.

The Group have been moving forward to secure trade customers portfolio that meet its key selection criteria of financial condition and sales abilities. “Wai Yuen Tong” brand is a reputable household name established over a century ago. The Group will continue to promote its brand value to maintain a leading market position in Chinese pharmaceutical and health food product markets.

Western Pharmaceutical and Health Food Products

Revenue of the Western pharmaceutical and health food products decreased by 13.5% to HK\$100.3 million since the consumer sentiment stayed weak for the year ended 31 March 2020. The two major product series, are “Madame Pearl’s” and “Pearl’s”. Madame Pearl is the Group’s brand for cough syrup while Pearl’s product series comprises MosquitOut spray, hand cream and itch-relief products. The two major product series are under this business segment encountered different challenges during the year. Nevertheless, during the year the WOG Group placed substantial resources in revamping its Western pharmaceutical and health care product distribution channels in order to improve efficiency. More resources were put on branding aiming to strengthen the brand loyalty for both “Madame Pearl’s” and “Pearl’s” product series. To comply with mainland China’s relevant regulations, the WOG Group has engaged various local industry players to rejuvenate the penetration of its upper airway product series under the “Madame Pearl’s” brand into mainland China.

Capitalising on state-of-the-art technology and advanced equipment of the WOG Group’s Yuen Long factory, the WOG Group continued to carry out research and development of products for core medical solution targeting at institutional clients.

Treasury Management

The WOG Group maintains a strong financial position. Liquid investments amounted to HK\$1,597.2 million at 31 March 2020, represents a decrease of 7.5% from the balance of HK\$1,725.9 million at 31 March 2019. The liquid investments represented 66.5% of the debt securities, 18.3% of equity securities and 15.2% of fund investment.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2020, the equity attributable to owners of the parent decreased by 0.5% to HK\$5,862.8 million (2019: HK\$5,891.0 million). The WOG Group's total equity, including the noncontrolling interests, increased to HK\$9,041.7 million (2019: HK\$8,005.5 million) as at 31 March 2020.

As at 31 March 2020, the WOG Group's total assets were HK\$19,088.8 million (2019: HK\$16,417.9 million). Total cash and bank balances held amounted to HK\$1,584.0 million (2019: HK\$2,318.2 million) as at 31 March 2020. The WOG Group also maintained a portfolio of liquid investments with an aggregate market value of HK\$1,597.2 million (2019: HK\$1,725.9 million) as at 31 March 2020, which is immediately available for use when in need.

As at 31 March 2020, the WOG Group's total debt amounted to HK\$6,205.0 million (2019: HK\$5,521.8 million). The gearing ratio (calculated by reference to the WOG Group's total borrowings net of total cash and bank balances and the total equity of WOG Group) was approximately 51.1% (2019: 40.0%),

As at 31 March 2020, the WOG Group's land and buildings, investment properties, properties under development, properties held for sale, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss with carrying value of HK\$445.0 million, HK\$2,285.7 million, HK\$3,448.4 million, HK\$1,053.5 million, HK\$743.3 million and HK\$32.2 million (2019: HK\$471.1 million, HK\$1,398.6 million, HK\$3,216.4 million, HK\$688.2 million, HK\$575.5 million and HK\$77.5 million) were pledged to secure the WOG Group's general banking facilities.

The WOG Group's capital commitment as at 31 March 2020 was amounted to HK\$899.3 million (2019: HK\$956.9 million) is mainly for property development business. The WOG Group has given guarantee to a bank in connection with a facility granted to the joint venture of the WOG Group up to HK\$1,617.6 million and the banking facility guarantee by the WOG Group was utilised to the extent of HK\$1,090.5 million as at the end of the reporting period.

The WOG Group provided guarantees of approximately of HK\$63.5 million to customers in favour of a bank of the loans provided by the banks to the customers of the properties sold (2019: Nil).

The WOG Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach in financial management. Financial resources are under close monitor to ensure the WOG Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. The management of the WOG Group is of the opinion that the WOG Group's existing financial structure is healthy and related resources are sufficient to cater for the WOG Group's operation needs in the foreseeable future.

The WOG Group operate a central and management system. The WOG Group prudently invests in liquid investment in order to obtain a reasonable return while maintain liquidity.

DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2020, interest-bearing debt profile of the WOG Group was analysed as follows:

	2020 HK\$'000	2019 HK\$'000
Bank loans repayable:		
Within one year	2,656,906	2,124,044
In the second year	1,153,078	1,245,360
In the third to fifth years, inclusive	1,473,532	1,554,053
Beyond five years	291,523	410,735
	<u>5,575,039</u>	<u>5,334,192</u>
Other loans repayable:		
In the third to fifth years, inclusive	198,970	187,570
Unsecured Notes (i), (iii)		
In the third to fifth years, inclusive	181,220	–
Convertible Notes (ii), (iii)		
In the second year	249,814	–
	<u>6,205,043</u>	<u>5,521,762</u>

- (i) The WOG Group's non-wholly owned listed subsidiary, CAP has issued unsecured notes with maturity in September 2024 (the "Unsecured Notes") which are listed on the Stock Exchange by way of debt issue to professional investors only (stock code: 5755). As at 31 March 2020, the Unsecured Notes in the principal amount of HK\$290,000,000 remained outstanding.
- (ii) The WOG Group's non-wholly owned listed subsidiary, CAP, issued convertible notes with the aggregate principal amount of HK\$500 million on 19 October 2016 which will mature on 18 October 2021 (the "Convertible Notes"), which entitle the holders to convert into the ordinary shares of CAP at a conversion price of HK\$0.4 per share. During the year, no Convertible Notes were converted into CAP shares by the Convertible Notes' holders. As at 31 March 2020, the Convertible Notes with the outstanding principal amount of HK\$264.8 million was in issue and maximum number of CAP shares to be converted is 662,000,000 CAP shares.
- (iii) The Unsecured Notes and the Convertible Notes are consolidated to the WOG Group's indebtedness after the CAP Acquisition during the year ended 31 March 2020.

In order to meet the interest-bearing debts, business capital expenditure and funding needs for, *inter alia*, replenishment of the WOG Group's land bank, enhancing its portfolio of properties for investment and/or payment of construction costs for the development of the property development projects, the WOG Group had been from time to time considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bonds issuance, convertible notes, other debt financial instruments, and disposal of properties.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2020, the WOG Group held financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss of approximately HK\$1,282.7 million and HK\$314.6 million, respectively:

Nature of investments	Notes	As at 31 March 2020		For the year ended 31 March 2020			Fair value/carrying amount		
		Amount held	Percentage to the Group's net assets	Fair value gain/(loss)	Bond interest income	Dividends received	As at	As at	Investment cost
							31 March 2020	31 March 2019	
		HK\$'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Financial assets at fair value through other comprehensive income:									
A. Equity investment		259,061	3%	(87,057)	-	814	259,061	107,321	360,287
B. Debts investment									
CAP – 10% 5-year bonds	1	-	-	-	53,201	-	-	785,002	-
Zhongliang Holdings Group Company Limited	2	211,076	2%	3,145	12,667	-	211,076	-	207,647
China South City Holdings	3	141,728	2%	(8,468)	5,739	-	141,728	-	149,908
China Evergrande Group	4	107,638	1%	(4,904)	5,741	-	106,638	66,707	112,498
Others		563,153	6%	(86,770)	62,759	-	563,153	614,631	657,036
Sub-total		<u>1,282,656</u>	<u>14%</u>	<u>(184,054)</u>	<u>140,107</u>	<u>814</u>	<u>1,282,656</u>	<u>1,573,661</u>	<u>1,487,376</u>

Nature of investments	Notes	As at 31 March 2020		For the year ended 31 March 2020			Fair value/carrying amount		
		Amount held	Percentage to the Group's net assets	Fair value gain/(loss)	Bond interest income	Dividends received	As at	As at	Investment cost
							31 March 2020	31 March 2019	
		HK\$'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Financial assets at fair value through profit or loss									
A. Equity investments		32,783	-	(14,519)	-	200	32,783	47,225	42,462
B. Funds									
Rockpool Capital SPC ("RCS")	5	175,150	2%	(30,908)	-	-	175,150	-	206,058
Others		68,249	1%	(233)	-	-	68,249	50,595	68,210
C. Bonds		32,180	-	(1,124)	2,025	-	32,180	48,192	34,069
D. Others		6,220	-	(3,042)	-	-	6,220	6,184	-
Sub-total		<u>314,582</u>	<u>3%</u>	<u>(49,826)</u>	<u>2,025</u>	<u>200</u>	<u>314,582</u>	<u>152,196</u>	<u>350,799</u>
Total		<u>1,597,238</u>	<u>17%</u>	<u>(233,880)</u>	<u>142,132</u>	<u>1,014</u>	<u>1,597,238</u>	<u>1,725,857</u>	<u>1,838,175</u>

The principal activities of the securities are as follows:

1. CAP is principally engaged in the business of management and sales of properties in agricultural produce exchange markets in the PRC.
2. Zhongliang Holdings Group Company Limited is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange. Zhongliang and its subsidiaries are principally engaged in property development, property leasing, and providing property management services and management consulting services.
3. China South City Holdings Limited is a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Stock Exchange. China South City Holdings and its subsidiaries are principally engaged in property development, investment in integrated logistics and trade centers, residential and commercial ancillary facilities, property management, development, operations and maintenance of an E-commerce platform and provision of advertising, exhibition, logistics and warehousing services, outlet operations and other services.
4. China Evergrande Group, formerly Evergrande Real Estate Group Limited, is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Stock Exchange. China Evergrande Group and its subsidiaries

are principally engaged in property development, property investment, property management and property construction, the provision of hotel and other property development related services, insurance and fast consuming products business, mineral water production and food production.

5. On 18 April 2019, the WOG Group executed the subscription forms in respect of the Investment. The target underlying the investment is 25,000 Class C Shares with an initial net asset value of US\$25 million in a segregated portfolio of RCS. RCS is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability, and is an open-ended investment vehicle. Subject to the restriction that any single position in the segregated portfolio shall not exceed 10% of the net asset value of the entire segregated portfolio, there are no limitations on the markets or instruments that the segregated portfolio may invest in, or the percentage of the segregated portfolio's assets that may be committed to any region, market or instrument. Please refer to the joint announcement dated 18 April 2019 published by the Company and WOG for details.
6. Save as disclosed above, the WOG Group also invested in other shares listed in Hong Kong. The fair value of each of these shares represented less than 1.0% of the net assets of the WOG Group as at 31 March 2020.
7. Save as disclosed above, the WOG Group also invested in other bonds and funds, the fair value of each of these bonds and funds represented less than 1.0% of the net assets of the WOG Group as at 31 March 2020.

FOREIGN EXCHANGE

The management of the WOG Group is of the opinion that the WOG Group has no material foreign exchange exposure and therefore, the WOG Group does not engage in any hedging activities. As at 31 March 2020, the WOG Group held limited amount of foreign currency deposits, while all bank borrowings are denominated in Hong Kong dollars. The revenue of the WOG Group, also being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirements of the WOG Group's operating expenses.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2020, the WOG Group had 2,037 (2019: 920) employees, of whom approximately 38% (2019: 84%) were located in Hong Kong and the rest were located in mainland China. The WOG Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the WOG Group's as well as the individual's performances. The WOG Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong and had launched a defined scheme of remuneration and promotion review to accommodate the

above purpose and review is normally carried out annually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

PROSPECTS

WOG believes 2020 will be a year of challenge. Apart from the continual of the US-China trade disputes, the outbreak of COVID-19 at the beginning of 2020 has posed a new threat to all countries around the world. Measures taken by different countries to contain the spread of the pandemic, including quarantine arrangement, operation suspension and travel restrictions, have led to various challenges to many businesses. As a result, corporate closure and unemployment rate is expected to escalate. Nevertheless, as the pandemic began under control, the performance of various segments of the WOG Group will gradually be restored.

In respect of the property development segment in Hong Kong, it is expected that the adjustment of the loan-to-value ratio threshold and lowering of interest rate of Hong Kong Mortgage Corporation's Mortgage Insurance Programme in October 2019 will encourage increased investment into the residential property market. According to the Land Registry, the number of recorded property sales in May 2020 has rebounded from the first quarter of 2020. The WOG Group will continue to explore opportunities in property acquisition and further enhance its operational efficiency by focusing on value-added property developments, such as building fresh markets in its developed properties, to create additional synergy.

The fresh market operations have been a cash flow generating and profitable business over the past decades. The fresh market segment continues to grow steadily in Hong Kong and is expected to provide stable recurring income and cash flow to the WOG Group. The WOG Group expects to expand its fresh market portfolio by collaborating with landlords and identifying opportunities to acquire additional fresh markets in both public and private sectors in Hong Kong to strengthen its recurring income.

Moreover, following the acquisition of CAP through the Group in the year ended 31 March 2020, the WOG Group, through CAP, now operates 11 agricultural produce exchange markets across five provinces in the PRC. Such acquisition has significantly expanded the WOG Group's presence in the fresh market segment in the PRC. Looking ahead, the WOG Group will continue to build a nationwide agricultural produce exchange network by leveraging its leading position in the industry, replicable business model, advanced management system and IT infrastructure and quality customer service. Agricultural development is one of the main development focuses of the PRC government in the next few years, and major growth in the agriculture sector is expected to be driven by the "Belt and Road Initiative". The WOG Group will continue to capture new business opportunities by cooperating with partners to adopt an 'asset light' approach. Given the WOG Group's leading position on the market and dynamic business model, the WOG Group is confident that it will deliver long-term benefits to the Company and its shareholders.

Current trading environment for pharmaceutical and health food products in Hong Kong, Macau and the PRC have been affected due to US-China trade war and the COVID-19 pandemic. “Wai Yuen Tong”, a reputable pharmaceutical household brand that was established over a century ago, is anticipated to slow down in its performance. Moreover, decrease in mainland tourist visits and rigid industry policies may continue to curtail and negatively impact retail performance. Nevertheless, the WOG Group will closely monitor the performance of its distribution channels and retail network. To maintain the WOG Group’s competitive advantage, it will strategically restructure, integrate retail outlets and build a team of experienced and well-trained Chinese medicine practitioners to serve its customers. The WOG Group’s ambition is to build one of the largest teams of Chinese medicine practitioners in Hong Kong through the Group. The WOG Group intends to leverage its brand value to strengthen its partnerships and boost its franchising model to maximise its retail exposure and lower overall operational risk and costs.

With Hong Kong and PRC government’s active push for traditional Chinese medicine, including preferential policies and cross-border cooperation between Hong Kong and the Greater Bay Area, the market for Chinese pharmaceutical medication and supplements manufactured in Hong Kong is set to expand rapidly in the next decade. Further, the Group’s Western pharmaceutical business is expected to achieve favourable growth driven by the sale of cough syrup to private clinics in Hong Kong and PRC.

In summary, the overall strong financial position of the WOG Group and the expected continued growth through its diversified business enable the WOG Group to have a high degree of flexibility and agility for its treasury management. The WOG Group will continue a proactive and prudent investment approach to drive business growth on all business segments.

CONTINGENT LIABILITIES

As at 31 March 2020, WOG Group has given guarantees to a bank in connection with facilities granted to joint ventures up to HK\$1,617,593,000 as at 31 March 2020 (31 March 2019: HK\$2,440,400,000) and the banking facility guaranteed by WOG Group to joint ventures was utilised to the extent of HK\$1,090,492,000 as at 31 March 2020 (2019: HK\$1,297,450,000). The fair value of the corporate guarantees are not significant as the directors of WOG consider that the possibility of default of the parties involved is remote.

As at 31 March 2020, WOG Group provided guarantees of approximately HK\$63,518,000 to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (2019: Nil). The fair value of the guarantees is not significant and the directors of WOG consider that in the event of default on payments, the net realizable value of the related proper ties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties.

As at 31 March 2020, the CAP Group was involved in certain litigations. For details, please refer to section headed “Litigations” in Appendix V to this circular.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

On 30 April 2019, the WOP Group entered into a provisional agreement with an independent third party to purchase the entire issued share capital and shareholder's loan of Pearl Limited at a consideration of HK\$780.0 million. Pearl Limited is the sole shareholder of Hermitage Investments Limited, which is the registered owner of the commercial accommodation of the complex named "The Parkside" located at No. 18 Tong Chun Street, Tseung Kwan O, New Territories, Hong Kong together with 49 car parking spaces and 5 motor cycle parking spaces. The transaction completed on 4 July 2019. Details of the transaction were set out in the joint announcement published by WOG and WOP dated 1 May 2019 and the circular published by WOG dated 26 July 2019.

On 26 September 2019 (as supplemented by the announcement jointly published by WOG, the Company, the Offeror, CAP and EOG dated 28 November 2019), Goal Success Investments Limited (the "**Offeror**"), an indirect wholly-owned subsidiary of the Group announced a proposal to make (a) a pre-conditional voluntary partial cash offer to the CAP shareholders to acquire such number of CAP shares which would result in the Group and parties acting in concert with it holding a maximum of 75% of the CAP shares in issue at the partial share offer price of HK\$0.091 per CAP share (the "**Partial Share Offer**"); and (b) extend an appropriate offer to acquire a maximum of 46.86% of the outstanding principal amount of the 7.5% convertible note(s) due 2021 issued by CAP on 19 October 2016 (the "**CN**") (subject to adjustment in the event of a change in the issued share capital of CAP) at the partial CN offer price of HK\$0.2275 for each outstanding HK\$1 face value of the CN ((the "**Partial CN Offer**", together with the Partial Share Offer, collectively the "**Partial Offers**"). The maximum total cash consideration payable by the Group under the Partial Offers amounted to approximately HK\$529.6 million.

On 29 January 2020, the Partial Share Offer was approved by the independent shareholders of CAP. Moreover, the Group further announced that as at 29 January 2020, all the conditions to the Partial Share Offer were fulfilled and the Partial Share Offer became unconditional in all respects. The Partial CN Offer, which was subject to and conditional upon the Partial Share Offer becoming or being declared unconditional in all respects, accordingly became and was declared unconditional in all respects.

On 12 February 2020 (i.e., the final closing date of the Partial Offers), according to the terms of the Partial Share Offer, the Offeror acquired and became the owner of 5,312,395,685 CAP shares, representing approximately 53.37% of the CAP shares in issue and the Offeror, together with parties acting in concert with it, held 7,464,800,866 CAP shares, representing approximately 75% of the CAP shares in issue.

For details, please refer to the announcements dated 26 September 2019, 16 October 2019, 15 November 2019, 26 November 2019, 28 November 2019, 16 December 2019, 31 December 2019, 7 January 2020, 14 January 2020, 29 January 2020 and 12 February 2020, respectively jointly published by the Company, Offeror, CAP and WOG.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is an illustrative unaudited pro forma consolidated statement of financial position (the “**Unaudited Pro Forma Financial Information**”) of Wai Yuen Tong Medicine Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), immediately after the completion of disposal of all the shares issued by Easy One Financial Group Limited (“**EOG**”) held by the Group, representing approximately 29.06% of the total issued share capital of EOG, to Caister Limited (“**Caister**”) as a result of the proposed privatisation of EOG by Caister (the “**Proposed Transaction**”). The remaining group of the Group after the completion of the Proposed Transaction are hereafter referred to as the “**Remaining Group**”. The Unaudited Pro Forma Financial Information of the Remaining 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 Transaction to the Group.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate the financial position of the Remaining Group as if the Proposed Transaction had been completed on 31 March 2020.

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 Remaining Group had the Proposed Transaction been completed on 31 March 2020 or any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of financial position of the Group as at 31 March 2020, which have been extracted from the published annual report of the Company for the year ended 31 March 2020, 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 circular.

APPENDIX III
**UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF THE GROUP**
Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

	The Group as at 31 March 2020 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		Unaudited pro forma of the remaining group <i>HK\$'000</i>
		<i>HK\$'000</i> <i>Note 2(a)</i>	<i>HK\$'000</i> <i>Note 2(b)</i>	
NON-CURRENT ASSETS				
Property, plant and equipment	974,940			974,940
Investment properties	3,190,791			3,190,791
Net investments in subleases	9,619			9,619
Investment in associates	314,033	(307,813)		6,220
Financial assets at fair value through other comprehensive income	125,100	100,912		226,012
Deposits	19,905			19,905
Deferred tax assets	48			48
Total non-current assets	4,634,436			4,427,535
CURRENT ASSETS				
Properties under development	297,146			297,146
Properties held for sale	1,645,165			1,645,165
Inventories	154,890			154,890
Trade receivables	67,302			67,302
Loans and interest receivables	68,250			68,250
Prepayments, deposits and other receivables	249,376			249,376
Net investments in subleases	10,526			10,526
Financial assets at fair value through other comprehensive income	48,120			48,120
Financial assets at fair value through profit or loss	56,675			56,675
Tax recoverable	14,438			14,438
Restricted bank balances	8,157			8,157
Cash and cash equivalents	475,702	48,516	(2,500)	521,718
Total current assets	3,095,747			3,141,763

APPENDIX III
**UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL INFORMATION OF THE GROUP**

	The Group as at 31 March 2020 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments <i>HK\$'000</i> <i>Note 2(a)</i>		<i>HK\$'000</i> <i>Note 2(b)</i>	Unaudited pro forma of the remaining group <i>HK\$'000</i>
CURRENT LIABILITIES					
Trade payables	66,709				66,709
Other payables and accruals	1,188,483				1,188,483
Contract liabilities	548,829				548,829
Financial liabilities at fair value through profit or loss	621				621
Interest-bearing bank and other borrowings	653,127				653,127
Tax payable	58,006				58,006
	<u>2,515,775</u>				<u>2,515,775</u>
Total current liabilities	<u>2,515,775</u>				<u>2,515,775</u>
NET CURRENT ASSETS	<u>579,972</u>				<u>625,988</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>5,214,408</u>				<u>5,053,523</u>
NON-CURRENT LIABILITIES					
Other payables	81,586				81,586
Unsecured bonds and notes	181,220				181,220
Interest-bearing bank and other borrowings	716,598				716,598
Convertible notes	249,814				249,814
Deferred tax liabilities	633,916				633,916
	<u>1,863,134</u>				<u>1,863,134</u>
Total non-current liabilities	<u>1,863,134</u>				<u>1,863,134</u>
Net assets	<u><u>3,351,274</u></u>				<u><u>3,190,389</u></u>
EQUITY					
Equity attributable to owners of the parent					
Issued capital	12,316				12,316
Reserves	2,287,745	(158,385)	(2,500)		2,126,860
	<u>2,300,061</u>				<u>2,139,176</u>
Non-controlling interests	1,051,213				1,051,213
	<u>1,051,213</u>				<u>1,051,213</u>
Total equity	<u><u>3,351,274</u></u>				<u><u>3,190,389</u></u>

Notes to the Unaudited pro forma Financial Information of the Remaining Group

Notes:

1. The consolidated statement of financial position of the Group is extracted from the published annual report of the Company for the year ended 31 March 2020.
2. Notes to the pro forma adjustments

- (a) The adjustment represents the disposal of EOG upon the completion of the Proposed Transaction. As at 31 March 2020, the Group beneficially owns an aggregate 161,718,625 shares of EOG. Pursuant to the proposal from Caister to the shareholders of EOG dated 4 May 2020 (the “**Proposal**”), all the shares of EOG will be cancelled and exchange for the HK\$0.3 (“**Cash Consideration**”) and 8 shares of Wang On Group Limited (“**WOG**”) for each shares of EOG (“**Share Consideration**”). A pro forma loss on disposal of EOG is calculated as follows:

	<i>HK\$'000</i>	<i>HK\$'000</i>
Aggregated consideration for the Proposed Transaction:		
Cash Consideration	48,516	
Share Consideration*	100,912	149,428
	<u> </u>	<u> </u>
Less: carrying value of EOG as at 31 March 2020		(307,813)
		<u> </u>
Loss on disposal of EOG**		<u><u>(158,385)</u></u>

* *The Share Consideration was calculated with reference to the quoted closing price of WOG on the Stock Exchange on 4 May 2020 (the date of the Proposal) of HK\$0.078 per share.*

** *The loss on disposal arising from the Proposed Transaction is charged to profit or loss. Actual outcome depends on fair value of the shares of WOG and the carrying value of EOG at the completion date and shall be different to the amount calculated in the above table.*

- (b) This adjustment represents the estimated direct legal and professional costs related to the Proposed Transaction, among others, the preparation of this circular, which amounts to approximately HK\$2,500,000.

**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, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Group.



Ernst & Young
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1 Tim Mei Avenue
Central, Hong Kong

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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**”) 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 at 31 March 2020, and the related notes set out in section A of Appendix III of the circular dated 24 July 2020 (the “**Circular**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection with the disposal of all the shares issued by Easy One Financial Group Limited (“**EOG**”) held by the Group, representing approximately 29.06% of the total issued share capital of EOG, to Caister Limited (“**Caister**”) as a result of the proposed privatisation of EOG by Caister (the “**Proposed Transaction**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in section A of Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Transaction on the Group’s financial position as at 31 March 2020 as if the Proposed Transaction had taken place on 31 March 2020. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Company’s published annual report for the year ended 31 March 2020.

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 Transaction on unadjusted financial information of the Group as if the Proposed Transaction 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

The following is the valuation report prepared for the purpose of incorporation in this document received from LCH (Asia-Pacific) Surveyors Limited, an independent property valuer, in connection with its valuation as at 31 May 2020 of the designated property interests of the WOG Subsidiaries.



利駿行測量師有限公司
LCH (Asia-Pacific) Surveyors Limited
PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUER
BUSINESS & FINANCIAL SERVICES VALUER

The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the International Valuation Standards (“IVS”) and published by the International Valuation Standards Council and HKIS Valuation Standards 2017 Edition (the “HKIS Standards”) published by The Hong Kong Institute of Surveyors (the “HKIS”). The standards entitle the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translations of terms in English or in Chinese are for reader’s identification purpose only and have no legal status or implication in this report. This report was prepared and signed off in English format, translation of this report in language other than English shall only be used as a reference and should not be regarded as a substitute for this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to us at the Latest Practicable Date of this document. If additional documents and facts are made available, we reserve the right to amend this report and its conclusions.

17th Floor
Champion Building
287–291 Des Voeux Road Central
Hong Kong

24 July 2020

The Board of Directors
Wang On Group Limited
Suite 3202, 32/F, Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon, Hong Kong

Dear Sirs/Madams,

In accordance with the instructions given to us by the present management of Wang On Group Limited (hereinafter referred to as the “**Instructing Party**”) to conduct an agreed-upon procedures valuations of various designated real properties (same as the word “properties” in

this report) held by Wang On Group Limited (hereinafter referred to as “WOG”) and its subsidiaries (collectively, together with WOG hereinafter referred to as “WOG Group”) in Hong Kong and in the mainland of the People’s Republic of China (hereinafter referred to as the “PRC” or “China”), we confirm that we have followed the agreed upon procedures to make relevant enquiries and investigation as we consider necessary to support our working, and to perform independent valuations of the properties as at 31 May 2020 (the “Valuation Date”) for the Instructing Party’s internal management reference purpose. We understand that this report will be included in a WOG’s circular i.e. this document for its shareholders’ reference.

We understand that the use of our work product (regardless of form of presentation) will form part of the Instructing Party’s due diligence but we have not been engaged to make specific sales or purchase recommendations, or to give opinion for any financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the Instructing Party should conduct in reaching its business decision regarding the properties valued. Our work is designed solely to provide information that will give the Instructing Party a reference in its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party. Our findings and conclusion of values of the properties are documented in this valuation report and submitted to the Instructing Party at today’s date.

VALUATION OF THE PROPERTIES UNDER MARKET VALUE BASIS

Basis of Value and Assumptions

According to the IVS which the HKIS Standards follows, there are two valuation bases, namely market value basis and valuation bases other than market value. In this engagement, having considered the inherent characteristic of each property, that is, whether the property can be freely transferred in the market, we have provided our value of each of the properties on the market value basis.

The term “Market Value” is defined by the IVS as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Unless otherwise stated, our valuations of the properties have been made on the assumptions, that, as at the Valuation Date:

- the legally interested party in each of the properties has absolute title to its relevant property interests;
- the legally interested party in each of the properties has free and uninterrupted rights to assign its relevant property interest for the whole of the unexpired term as granted, and any premiums payable have already been fully paid; and

- the legally interested party in each of the properties sells its relevant property interest in the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to increase the value of the property interest.

In addition, unless otherwise stated, our valuations to the properties in Group II have been made on further assumptions that, as at the Valuation Date,

- the properties have obtained relevant government's approval for the sale of the properties and are able to be disposed of and transferred it free of all encumbrances (including but not limited to the cost of transaction) in the market; and
- the properties can be freely disposed and transferred free of all encumbrances at the Valuation Date for its existing use in the market to both local and overseas purchasers without payment of any premium to the government.

Should any of the above not be the case, it will have adverse impact to the values as reported.

Approaches to Value

There are three generally accepted approaches to value in arriving at the market value of a property on an absolute title basis, namely the Market Approach, the Cost Approach and the Income Approach.

For the sake of presentation, the properties are divided into 2 groups, Group I is properties held by the WOG Group for investment in Hong Kong, and Group II is properties held by the WOG Group for investment in the PRC. In valuing the vacant portion of properties in Group I, we have adopted the Sales Comparison Approach. The Sale Comparison Approach considers the sales, listing or offerings of similar or substitute properties and related market data to establish a value estimate by processes involving comparison. The underlying assumption of this approach is that an investor will pay no more for a property than he or she would have to pay for a similar property of comparable utility.

In valuing the tenanted portion of properties in Group I and the Property Nos. 11 to 18 and 20 to 21 in Group II, we have adopted the investment method of the Income Approach (or sometimes referred to as a method of the Market Approach for the reversionary interests and the rate of return are market-derived) by taking into account the current rents receivable from the existing tenancy agreements and the reversionary potential of the properties interests. Our conclusions of values of such properties were subject to tenancy agreements. We have also considered the estimated renovation cost for upgrading of the properties, if any. The underlying assumption of this approach is that an investor will pay no more for the property than he or she would have to be paid for another property with an income stream of comparable amount, duration, and certainty.

Having considered the general and inherent characteristics of the Property No. 19, we have adopted the depreciated replacement cost (“**DRC**”) approach. The DRC approach is a procedural valuation approach and an application of the Cost Approach in valuing specialised property like this property that is impracticable to ascertain the value on market basis.

Specialised property is certain types of property which is rarely, if ever, sold in the open market, except by way of a sale of the business of which they are a part (called the business in occupation), due to their uniqueness arising from their specialised nature and design of the buildings, their configuration, size, location or otherwise. Examples are: standard property located in particular geographical areas and remote from main business centres for operational or business reasons; that are of such an abnormal size for that district; that there would be no market for such buildings there; buildings and site engineering works related directly to the business of the owner as it is highly unlikely that they would have a value to anyone other than a company acquiring the undertaking; and property of such construction, arrangement, size or specification that there would be no market (for a sale to a single owner occupier for the continuation of existing use) for those buildings. Having considered the inherent and general characteristics of the property, we take the view that the property is a specialised property for private sector.

For specialised property where it is impracticable to identify the market value by Sales Comparison Approach, the DRC approach is considered as the most appropriate approach. The underlying theory is that the value of the property should, at least, be equivalent to the replacement cost of the remaining service potential of the property valued i.e. the DRC of the property valued. In our opinion, the DRC generally furnishes the most reliable indication of value for property where it is not practicable to ascertain its value on market basis.

The use of this approach requires an estimate of the market value of the land use rights for its existing use, and an estimate of the new replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition, and functional obsolescence taken into account the site formation cost and those public utilities connection charges to the property. The land use right of this property has been determined from market-based evidences by analysing similar sales or offerings of comparable property.

Our valuation of the property is subject to the assumption that adequate potential profitability of the business (of which the property forms part) having due regard to the value of the total assets employed and the nature of the operation.

We need to state that our opinion of value of the property is not necessarily intended to represent the amount that might be realised from disposition of its land use rights or various buildings on piecemeal basis in the open market.

In valuing the Property Nos. 1, 2, 4, 5 and 8 in Group I which are located in the New Territories of Hong Kong in which the Government Leases had already expired before 30 June 1997, we have taken into account the provisions of Annex III of the Joint Declaration of the

Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the PRC on the question of Hong Kong and the New Territories Leases (Extension) Ordinance (Chapter 150 of the Laws of Hong Kong). According to the above document and ordinance, such leases had already been extended without premium until 30 June 2047, and that an annual rent at three per cent. of the ratable value of the property has been charged from the date of extension.

Unless otherwise stated, we have not carried out valuation on possible alternative development basis and the study of possible alternative development options and the related economics do not come within the scope of our work.

MATTERS THAT MIGHT AFFECT THE VALUES REPORTED

For the sake of valuation, we have adopted the areas as appeared in the copies of the documents as provided to us or obtained from the relevant authorities or from public domains, and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuations accordingly.

Unless otherwise stated, no allowance has been made in our valuations for any charges, mortgages, outstanding premium, idle land penalties or amounts owing on the properties valued nor any expenses or taxation which may be incurred in affecting a sale of each of the properties. It is further assumed that the properties are free from all encumbrances, restrictions, and outgoing of an onerous nature which could affect their values.

Unless otherwise stated, in our valuations, we have assumed that each of the properties is able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported values significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

For the properties in Group II which are located in the PRC, we are advised by the WOG Group that they are subject to potential liabilities include Land Appreciation Tax at progressive tax rate from 30% to 60% on appreciation amount less 5% to 35% on deductible amount, value-added tax at 5%, urban maintenance and construction tax and education fee surcharge total 12% on value-added tax, stamp duty at 0.05% and Income Tax at 25% on profit before tax. The exact amount of tax payable upon realisation of the relevant properties in Group II in the PRC will be subject to the formal tax advice issued by the relevant tax authorities at the time of disposal of relevant properties upon presentation of the relevant transaction documents. There are potential tax liabilities which might arise on the disposal of the properties in Group II.

With the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a ‘Global Pandemic’ on the 11 March 2020, we observe that the local real estate market is generally affected leading to comparatively lower levels of transactional activity and liquidity. There has been a shortage of market evidence for comparison purposes to make a well

informed opinion of value as at the Valuation Date. Our valuations of these properties are therefore reported as being subject to valuation uncertainty at times of market unrest as set out in IVS. As a consequence, less certainty – and a higher degree of caution – should be accorded to our valuations than would normally be the case. For the avoidance of doubt, this valuation uncertainty clause does not mean that the valuations cannot be relied upon. Rather, this is to ensure transparency of the fact that – under the current extraordinary circumstances – less certainty can be accorded to the valuation than would otherwise be the case. This clause serves as a precaution and it does not invalidate the valuation. With the unknown future impact that COVID-19 might have on the local real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that the valuations contained within this report should be under frequent review.

We note that there are certain building orders registered in the Land Registry of Hong Kong against the common parts of or directly to certain properties in Group I, and these have been reported as footnote in each of the properties affected. From the information made available to us, as at the Valuation Date, it appeared that the impact of such building orders to the value of the properties being reported were immaterial. Should this not to be the case, it will affect the reported values significantly. The interested parties in the properties are reminded to have the due diligence works on such orders, no responsibility or liability is assumed from our part.

Unless otherwise stated, as at the Latest Practicable Date of this document, we are unable to identify any adverse news against the properties which may affect the reported findings or values in our work product. Thus, we are not in the position to report and comment on its impact (if any) on the properties. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the findings or values reported herein.

ESTABLISHMENT OF TITLES

Due to the purpose of this engagement, the Instructing Party or the appointed personnel of the WOG Group provided us the necessary documents to support that the legally interested parties in the properties have free and uninterrupted rights to assign, to transfer, to mortgage, to let or to use the properties at their existing use (in this instance, an absolute title), for the whole of the unexpired terms as granted, free of all encumbrances or any premiums payable have already been paid in full or outstanding procedures have been completed, and that the WOG Group has the rights to occupy or to use the properties. Our agreed procedures to value, as agreed with the Instructing Party, did not require us to conduct legal due diligence on the legality and formality on the way that the legally interested parties obtained each of the properties from the relevant authorities. We agreed with the Instructing Party that this should be the responsibility of the legal adviser to the Instructing Party. Thus, no responsibility or liability is assumed from our part to the origin and continuity of the titles to the properties.

We have conducted title searches on the properties in Group I in the Land Registry of Hong Kong. However, we have not inspected the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We are not legal professional

and we are unable to ascertain the titles and to report any encumbrances (if any) that are registered against the properties. No responsibility and liability is assumed.

We have been provided with copies of the title documents of the properties in Group II. However, we have not examined the original documents to verify the ownership and encumbrances or to ascertain the existence of any amendments, which may not appear on the copies handed to us. All documents disclosed (if any) are for reference only and no responsibility is assumed for any legal matters concerning the legal titles and the rights (if any) to the properties valued. Any responsibility for our misinterpretation of the documents cannot be accepted.

The land registration system of China forbids us to search the original documents of the properties in Group II that are filed in the relevant authorities, and to verify legal titles or to verify any material encumbrances or amendment which may not appear on the copies handed to us. We need to state that we are not legal professionals and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the properties in China. However, we have complied with the requirements as stated in the Listing Rules (as defined in this document) and relied solely on the copies of documents and the copy of the PRC legal opinions provided by the Instructing Party with regards to the legal titles of the properties. We are given to understand that the PRC legal opinions were prepared by the Gourp's PRC legal adviser, GFE Law Office in July 2020. All documents are for reference only. No responsibility or liability from our part is assumed.

In our report, we have assumed that the legally interested parties in the properties have obtained all the approvals and/or endorsements from the relevant authorities, and that there would have no legal impediment (especially from the regulators) for the legally interested parties to continue their titles in the properties. Should this not be the case, it will affect our findings and conclusions in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability from our part is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTIES

As agreed prior to the commencement of our valuation, we did not conduct any on-site inspection to the properties due to the prevailing Novel Coronavirus (COVID-19) outbreak in China and Hong Kong, and the travel and health advices by the Hong Kong SAR Government. However, we have, to the best of our effort, conducted external inspections to the properties in Group I at when and where appropriate bases. The inspection have been conducted by Sr Elsa Ng, Ms. Krystal Tian (a graduate surveyor) and Mr. Edward Ye (a graduate surveyor) in June 2020. We have inspected the exterior, and where possible, in respect of which we have been provided with such information as we have requested for the purpose of our valuations. We have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have only relied on the documents provided by the WOG Group in respect of which we have been provided with such information as we have requested for the purpose of our valuations. We cannot express an

opinion about or advice upon the condition of uninspected parts and our work should not be taken as making any implied representation or statement about such parts. No building survey, structural survey, investigation or examination has been made, but in the course of our inspections we did not note any serious defects in the properties valued. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out to the services (if any) and we are unable to identify those services either covered, unexposed or inaccessible.

Our valuations have been made on the assumption that no unauthorised alteration, extension or addition has been made in the properties, and that the use of this report should not be used as the building surveys of the properties. If the Instructing Party or any party interested in the properties wants to satisfy themselves for the condition of the properties, they should obtain a surveyor's detailed inspection and report at their own.

We have not carried out on-site measurements to verify the correctness of the areas of the properties, but have assumed that the areas shown on the documents and official plans shown on the documents available to us and the information provided by the Instructing Party and the WOG Group are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the properties did not include an independent land survey to verify the legal boundaries of the properties. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of the properties that appeared on the documents handed to us. No responsibility from our part is assumed. The Instructing Party or interested parties in the properties should conduct their own legal boundaries due diligence work.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the properties, or have since been incorporated into the properties, and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of these valuations, we have assumed that such investigations would not disclose the presence of any such materials to any significant extent.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have ever been carried out in the properties. We have not carried out any investigation into past or present uses, either of the properties or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the properties from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the properties or on any neighbouring land, or that

the premises have been or are being put to a contaminative use, this might reduce the values now reported.

SOURCES OF INFORMATION AND ITS VERIFICATION

In the course of our work, we have been provided with copies of the documents regarding the properties, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our agreed procedures to value did not require us to conduct any searches or inspect the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not legal professionals, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the Instructing Party or the appointed personnel of the WOG Group.

We have relied solely on the information provided by the appointed personnel of the WOG Group or the Instructing Party without further verification, and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, development schedule, site and floor areas, costs to be paid, tenancy schedules, resettlement notices and all other relevant matters.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our agreed procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

Our valuations have been made only based on the advice and information made available to us. While a limited scope of general inquiries have been made to the local property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility or liability is assumed.

When we adopted the work products from other professions, external data providers and the appointed personnel of the WOG Group or the Instructing Party in our valuations, the assumptions and caveats that adopted by them in arriving at their figures also applied in our valuations. The procedures we have taken as agreed do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

The scope of our work has been determined by reference to the property list provided by the Instructing Party. All properties on the list have been included in our report. The Instructing Party has confirmed to us that the WOG Group has no property interests other than those specified on the list supplied to us.

We are unable to accept any responsibility for the information that has not been supplied to us by the appointed personnel of the WOG Group or the Instructing Party. Also, we have sought and received confirmation from the appointed personnel of the WOG Group or the Instructing Party that no material factors have been omitted from the information supplied. Our analysis and valuations are based upon full disclosure between us and the WOG Group or the Instructing Party of material and latent facts that may affect our work.

We have had no reason to doubt the truth and accuracy of the information provided to us by the appointed personnel of the WOG Group or the Instructing Party. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, the monetary amounts are in Hong Kong Dollars (“**HK\$**”). In valuing the properties in the PRC, the adopted exchange rate was the prevailing rate as at the Valuation Date, being HK\$1.0862 per Renminbi Yuan (“**RMB**”) 1.00, and no significant fluctuation in exchange rate has been found between the Valuation Date and the Latest Practicable Date.

OPINION OF VALUE

Based on the above information and assumptions, we are of the opinion that the Market Value of the properties held by the WOG Group for internal management reference purpose as at the Valuation Date in their existing states and attribute to the WOG Group, and assuming free of all encumbrances, was in the order of **HONG KONG DOLLARS ONE HUNDRED FORTY FOUR MILLION NINE HUNDRED AND TEN THOUSAND ONLY (HK\$144,910,000)**.

LIMITING CONDITIONS

Our findings and values of the properties in this report are valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person. Our valuations have been made on the assumption that no unauthorised alteration, extension or addition has been made in the properties, and that the use of this report do not purport to be a building survey of the properties.

No responsibility is taken for changes in market conditions and local government policy, and no obligation is assumed to revise this report to reflect events or conditions, which occur or make known to us subsequent to the date hereof. Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this document to Wai Yuen Tong Medicine Holdings Limited’s shareholders’ reference.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding the charges paid to us for the portion of services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost, etc.), even if it has been advised of their possible existence. For the avoidance of doubt, our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

It is agreed that the Instructing Party and Wai Yuen Tong Medicine Holdings Limited are required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, wilful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report is prepared in line with the requirements contained in Chapter 5 of the Listing Rules as well as the reporting guidelines contained in the IVS and HKIS Standards. The valuations have been undertaken by valuer (see End Notes), acting as external valuer, qualified for the purpose of these valuations.

We retain a copy of this report together with the data and documents provided by the Instructing Party for the purpose of this assignment, and these data and documents will, according to the Laws of Hong Kong, be kept for a period of 6 years from the date it provided to us and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Instructing Party's authorisation and prior arrangement made with us in writing. Moreover, we will add WOG's information into our client list for our future reference.

The analysis and valuations of the properties depend solely on the assumptions made in this report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported findings or values significantly.

We hereby certify that the fee for this service is not contingent upon our opinions of value and we have no significant interests in the properties, the WOG Group or the values reported.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui *B.Sc. M.Sc. RPS (GP)*
Executive Director

J. Junior Ho *B.Sc. M.Sc. RPS (GP)*
Director

Contributing Valuers:

Krystal Tian Qi *B.Sc. M.Sc.*

Edward Ye Junhong *B.Sc. M.Sc.*

Note:

Sr Elsa Ng Hung Mui has been conducting valuation of real properties in Hong Kong, Macau, Taiwan, mainland China, the United Kingdom, France, Thailand, Vietnam, Singapore, Malaysia, Madagascar, Guyana, Samoa and Guam since 1994. She is a Fellow of The HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.

Sr J. Junior Ho is a member of the HKIS and has been conducting valuation of real properties in Hong Kong, Macau, Taiwan, mainland China, Canada, the United Kingdom, France, Singapore, Guyana, Samoa, Argentina and Vietnam since 2010.

SUMMARY OF VALUES

Group I – Properties held for investment by the WOG Group in Hong Kong

No. Property	Amount of valuations in its existing state as at 31 May 2020 <i>HK\$</i>	Interest attributable to the WOG Group	Amount of valuations in its existing state attributable to the WOG Group as at 31 May 2020 <i>HK\$</i>
1. 7th Floor, No. 33 Wong Chuk Street, Sham Shui Po, Kowloon, Hong Kong	4,000,000	100 per cent.	4,000,000
2. 8th Floor, No. 253 Tai Nan Street, Sham Shui Po, Kowloon, Hong Kong	3,700,000	100 per cent.	3,700,000
3. 5th Floor, No. 524 Jaffe Road, Causeway Bay Hong Kong	11,000,000	100 per cent.	11,000,000
4. 5th Floor of Block F, No. 89 Chung On Street, Tsuen Wan, New Territories, Hong Kong	4,900,000	100 per cent.	4,900,000
5. Flat I on 1st Floor together with Portion of the Flat Roof (also known as Flat A on 1st Floor) No. 174 Jockey Club Road, North, New Territories, Hong Kong	4,900,000	100 per cent.	4,900,000

No. Property	Amount of valuations in its existing state as at 31 May 2020 HK\$	Interest attributable to the WOG Group	Amount of valuations in its existing state attributable to the WOG Group as at 31 May 2020 HK\$
6. 2nd Floor, Golden Jubilee House, No. 399 Lockhart Road, Wanchai, Hong Kong	8,200,000	100 per cent.	8,200,000
7. Flat A on 6th Floor, 240 Lockhart Road, Wanchai, Hong Kong	7,400,000	100 per cent.	7,400,000
8. 1st Floor of Rear Portion, No. 1 San Lok Street, Shek Wu Hui, Sheung Shui, New Territories, Hong Kong	5,600,000	100 per cent.	5,600,000
9. 6th Floor and its Interior Wall, No. 463 Hennessy Road, Causeway Bay, Hong Kong	6,200,000	100 per cent.	6,200,000
10. 3rd Floor, Vico Mansion, No. 3 Nanking Street, Yau Ma Tei, Kowloon, Hong Kong	5,300,000	100 per cent.	5,300,000
Sub-total for Group I:	HK\$61,200,000		HK\$61,200,000

Group II – Properties held for investment by the WOG Group under long-term title certificates
in the PRC

No. Property	Amount of valuations in its existing state as at 31 May 2020 <i>HK\$</i>	Interest attributable to the WOG Group	Amount of valuations in its existing state attributable to the WOG Group as at 31 May 2020 <i>HK\$</i>
11. Huangbeiling Market Unit 03 Level 1 of Fenghuang Complex Building Fenghuang Road, Huangbeiling Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	17,100,000	50 per cent.	8,550,000
12. Hehua Market 101 of Block 49 in Jing Bei South, Huangbei Road, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	37,400,000	50 per cent.	18,700,000
13. Wenjin Market Unit 01 of Beidou Wet Market, Beidou Road, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	10,800,000	50 per cent.	5,400,000

No. Property	Amount of valuations in its existing state as at 31 May 2020 <i>HK\$</i>	Interest attributable to the WOG Group	Amount of valuations in its existing state attributable to the WOG Group as at 31 May 2020 <i>HK\$</i>
14. Bibo Market Level 2 of Bibo Wet Market, Huangbei Road, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	14,600,000	50 per cent.	7,300,000
15. Honghu Market Level 1 of Honghu Wet Market Complex, Honghu Second Road, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	9,700,000	50 per cent.	4,850,000
16. Yuanling Market Unit 101 of Yuanling Wet Market, Yuanling 5th Street Futian District Shenzhen City Guangdong Province The PRC 518000	6,100,000	50 per cent.	3,050,000

No. Property	Amount of valuations in its existing state as at 31 May 2020 <i>HK\$</i>	Interest attributable to the WOG Group	Amount of valuations in its existing state attributable to the WOG Group as at 31 May 2020 <i>HK\$</i>
17. Xinsha Market Level 1 of Shatau Wet Market Complex, Fuhua Road, Futian District Shenzhen City Guangdong Province The PRC 518000	16,200,000	50 per cent.	8,100,000
18. Tiandong Market Level 1 of Shajingtou Market Complex, Jingtou Street East Shatoujiao, Yantian District Shenzhen City Guangdong Province The PRC 518000	25,100,000	50 per cent.	12,550,000
19. Yantian Market Units 101, 105 and 202 of Yantian Market Complex, South of Beishan Road, Yantian District Shenzhen City Guangdong Province The PRC 518000	720,000	50 per cent.	360,000

No. Property	Amount of valuations in its existing state as at 31 May 2020 HK\$	Interest attributable to the WOG Group	Amount of valuations in its existing state attributable to the WOG Group as at 31 May 2020 HK\$
20. Tianxin Market Level 1 of Gong Shang Huan Wei Composite Building, 2nd of No. 7 Shayan Road, Shatoujiao, Yantian District, Shenzhen City, Guangdong Province, The PRC 518000	11,200,000	50 per cent.	5,600,000
21. Xili Market Level 1 of Xili Market Complex, Shahe Road West, Nanshan District, Shenzhen City, Guangdong Province, The PRC 518000	18,500,000	50 per cent.	9,250,000
Sub-total For Group II:	HK\$167,420,000		HK\$83,710,000
Grand Total:	HK\$228,620,000		HK\$144,910,000

PROPERTY PARTICULARS WITH VALUES

Group I – Properties held by the WOG Group for Investment in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
1.	7th Floor, No. 33 Wong Chuk Street, Sham Shui Po, Kowloon, Hong Kong	The property comprises a residential unit on the Seventh Floor of an 8-storey tenement building which was completed in 1959.	As confirmed by the Instructing Party and the appointed personnel of WOG, the property was subject to various tenancies as at the Valuation Date.	HK\$4,000,000 (100 per cent. interest)
	1/8th shares of and in the Remaining Portion of New Kowloon Inland Lot No. 2309 (the “Lot”)	According to the information available to us, the property has a saleable area of approximately 631 square feet (“sq.ft.”) (58.6 square meters) (“sq.m.”). The Lot is subject to a Government Lease for a term of 75 years renewable for 24 years commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988). The property is located in a residential area with tenement buildings and ground floor shops. The current annual Rent payable for the Lot is equal to 3 per cent. of the ratable value.	(see Note 5)	

Notes:

- The registered owner of the property is Allied Victory Investment Limited, an indirect wholly owned subsidiary of the WOG, vide an assignment dated 6 November 2006 at a consideration of HK\$690,000.00 and registered in the Land Registry by Memorial No. 06120700490139 on 7 December 2006.
- The property is subject to a Deed of Mutual Covenant dated 21 October 1959 and registered in the Urban Land Registry by Memorial No. 304686 on 14 November 1959.
- The property is subject to a Mortgage in favour of China Construction Bank Corporation dated 2 May 2008 in the consideration to secure all sums of moneys including general banking facilities (part) and registered in the Land Registry by Memorial No. 08052901680011 on 29 May 2008.

4. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation dated 23 December 2013 and registered in Land Registry by Memorial No. 14010602240011 on 6 January 2014.
5. According to the information provided, the property was subject to 4 various tenancies with a total monthly rental of HK\$15,900 on inclusive basis.
6. For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$3,800,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
2.	8th Floor, No. 253 Tai Nan Street, Sham Shui Po, Kowloon, Hong Kong	The property comprises a residential unit on the Eighth Floor of a 9-storey tenement building which was completed in 1960.	As confirmed by the Instructing Party and the appointed personnel of WOG, the property was subject to various tenancies as at the Valuation Date.	HK\$3,700,000 (100 per cent. interest)
	1/9th shares of and in the Remaining Portion of New Kowloon Inland Lot No. 19 (the "Lot")	According to the information available to us, the property has a saleable area of approximately 593 sq.ft. (55.1 sq.m.). The Lot is subject to a Government Lease for a term of 75 years renewable for 24 years commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988). The property is located in a residential area with tenement buildings and ground floor shops. The current annual Government Rent payable for the Lot is equal to 3 per cent. of the ratable value for the time being of the Lot.	(see Note 10)	

Notes:

- The registered owner of the property is Allied Victory Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 12 January 2007 at a consideration of HK\$830,000.00 and registered in the Land Registry by Memorial No. 0702090038020 on 9 February 2007.
- The property is subject to a Deed of Mutual Covenant dated 17 February 1961 and registered in Urban Land Registry by Memorial No. 334512 on 23 February 1961.
- The property is subject to a Mortgage in favour of China Construction Bank Corporation dated 2 May 2008 in the consideration to secure all sums of moneys including general banking facilities (part) and registered in Land Registry by Memorial No. 08052901680011 on 29 May 2008.
- The property is subject to an Order No. D00307/K/09 by the Building Authority under Section 26 of the Buildings Ordinance re for common area and exterior of the Building dated 23 October 2009 and registered in the Land Registry by Memorial No. 09112700760138 on 27 November 2009.

5. The property is subject to an Order No. DR00442/K/10 by the Building Authority under Section 28(3) of the Buildings Ordinance dated 27 August 2010 and registered in the Land Registry by Memorial No. 10102600650179 on 26 October 2010 superseded see Memorial Nos. 11020700520095 and 11042101400263.
6. The property is subject to a Superseding Order No. DR00616/K/10 by the Building Authority under Section 28(3) of the Buildings Ordinance dated 17 December 2010 and registered in the Land Registry by Memorial No. 11042101400263 on 21 April 2011.
7. The property is subject to a Notification Letter of Completion of Works Relating to Order No. D00307/K/09 and Order No. DR00616/K/10/TD by the Building Authority dated 20 March 2013 and registered in the Land Registry by Memorial No. 13041901240039 on 19 April 2013.
8. The property is subject to two various Notice No. “UMB/BAMB01/1801-041/0001” by the Building Authority under Section 30B(3) and under Section 30C(3) of the Buildings Ordinance dated 5 July 2019 and registered in the Land Registry by Memorial No. 20010201150013 and 20010201150020 on 2 January 2020.
9. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation dated 23 December 2013 and registered in the Land Registry by Memorial No. 14010602240011 on 6 January 2014.
10. According to the information provided, the property was subject to 3 various tenancies with a monthly rental of HK\$11,200 on inclusive basis.
11. For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$3,800,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
3.	5th Floor, No. 524 Jaffe Road, Causeway Bay, Hong Kong 1/18th shares of and in the Sub-section 3 of Section F of Marine Lot No. 52 and the extension thereto (the "Lot")	The property comprises a residential unit on the Fifth Floor of a 9-storey tenement building which was completed in 1961. According to the information available to us, the property has a saleable area of approximately 725. sq.ft. (67.4 sq.m.). The property is located in a mixed residential and commercial area. The Lot is subject to a Government Lease for a term of 999 years commencing from 25 June 1843.	As confirmed by the Instructing Party and the appointed personnel of WOG, the property was subject to various tenancies as at the Valuation Date. (see Note 7)	HK\$11,000,000 (100 per cent. interest)

Notes:

- The registered owner of the property is Goldbo Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 30 July 2007 at a consideration of HK\$1,950,000.00 and registered in the Land Registry by Memorial No. 07082801280200 on 28 August 2007.
- The property is subject to a Deed of Mutual Covenant with Plan dated 16 September 1963 and registered in Urban Land Registry by Memorial No. 412190 on 7 October 1963.
- The property is subject to a Mortgage in favour of China Construction Bank Corporation dated 2 May 2008 in the consideration to secure all sums of moneys including general banking facilities (part) and registered in the Land Registry by Memorial No. 08052901680011 on 29 May 2008.
- The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation dated 23 December 2013 and registered in the Land Registry by Memorial No. 14010602240011 on 6 January 2014.
- The property is subject to a Notice No. "UMB/BAMB01/1801-265/0001" by the Building Authority under Section 30B(3) of the Buildings Ordinance re common part(s) only dated 26 September 2019 and registered in the Land Registry by Memorial No. 19112002220239 on 20 November 2019.
- The property is subject to a Notice No. "UMB/BAMB01/1801-265/0001" by the Building Authority under Section 30C(3) of the Buildings Ordinance re common part(s) only dated 26 September 2019 and registered in the Land Registry by Memorial No. 19112002220249 on 20 November 2019.
- According to the information provided, the property was subject to 3 various tenancies with a monthly rental of HK\$18,800 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$10,700,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
4.	5th Floor of Block F, No. 89 Chung On Street, Tsuen Wan, New Territories, Hong Kong	The property comprises a residential unit on the Fifth Floor of a 6-storey tenement building which was completed in 1958.	As confirmed by the Instructing Party and the appointed personnel of WOG, the property was subject to various tenancies as at the Valuation Date.	HK\$4,900,000 (100 per cent. interest)
	1/66th shares of and in the Remaining Portion of Lot No. 2013 in D.D. 449 (the "Lot")	According to the information available to us, the property has a saleable area of approximately 647 sq.ft. (60.1 sq.m.) The property is located in a residential area with tenement buildings and ground floor shops. The Lot is subject to a New Grant No. 3504 for a term of 75 years renewable for 24 years commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988) at a Government Rent of 3 per cents of the ratable value.	(see Note 4)	

Notes:

- The registered owner of the property is Goldbo Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 10 September 2007 at a consideration of HK\$1,250,000.00 and registered in the Land Registry by Memorial No. 07100400560076 on 4 October 2007.
- The property is subject to a Deed of Covenant dated 14 July 1959 and registered in Tsuen Wan Land Registry by Memorial No. 68754 on 10 July 1959.
- The property is subject to an Order No. CRT/RT/001468/10/NT under Section 24(1) of the Buildings Ordinance with Plan by the Building Authority re common part(s) only dated 30 June 2010 and registered in the Land Registry by Memorial No. 10080901360098 on 9 August 2010, and is subject to a Notification Letter of Completion of Works (Order No. " CRT/RT/001468/10/NT") dated 4 April 2018 and registered in the Land Registry by Memorial No. 18043000670236 on 30 April 2018.
- According to the information provided, the property was subject to 4 various tenancies with a monthly rental of HK\$18,500 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$4,800,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
5.	Flat 1 on 1st Floor together with Portion of the Flat Roof (also known as Flat A on 1st Floor) No. 174 Jockey Club Road, North, New Territories, Hong Kong 1/70th shares of and in the Lot No. 3831 in D.D. 91 (the "Lot")	<p>The property comprises a residential unit on the First Floor of a 3-storey tenement building which was completed in 1973.</p> <p>The property has a saleable area of approximately 593.10 sq.ft. (55.1 sq.m.) with a flat roof of 74.11 sq.ft. (6.89 sq.m.).</p> <p>The property is located in a residential area with tenement buildings and ground floor shops.</p> <p>The Lot is subject to a New Grant No. 9166 for a term of 99 years commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988) at a Government Rent of 3 percents of the rateable value.</p>	<p>As confirmed by the Instructing Party and the appointed personnel of WOG, major portion of the property was subject to various tenancies while the remaining portion of the property was vacant as at the Valuation Date.</p> <p>(see Note 5)</p>	<p>HK\$4,900,000</p> <p>(100 per cent. interest)</p>

Notes:

- The registered owner of the property is New Sino Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 2 June 2008 at a consideration of HK\$1,420,000.00 and registered in the Land Registry by Memorial No. 08063000570087 on 30 June 2008.
- The property is subject to an Undertaking dated 25 July 1972 and registered in North Land Registry by Memorial No. 171561 on 5 August 1972.
- The property is subject to a Deed of Mutual Covenant dated 1 June 1973 and registered in North Land Registry by Memorial No. 175124 on 25 June 1973.
- The property is subject to a Deed of Rectification dated 24 August 1977 and registered in North Land Registry by Memorial No. 187126 on 8 September 1977.
- According to the information provided, portion of the property was subject to 2 various tenancies with a monthly rental of HK\$11,600 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$4,800,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
6.	2nd Floor, Golden Jubilee House, No. 399 Lockhart Road, Wanchai, Hong Kong	The property comprises a residential unit on the Second Floor of a 15-storey (including mezzanine floor) building which was completed in 1964.	As confirmed by the Instructing Party and the appointed personnel of WOG, the property was subject to various tenancies as at the Valuation Date.	HK\$8,200,000 (100 per cent. interest)
	1/117th shares of and in the Section B, Section C and Section D of Marine Lot No. 435 (the "Lots")	The property has a saleable area of approximately 653.37 sq.ft. (60.7 sq.m). The property is located in a mixed residential and commercial area. The Lots are subject to a Government Lease for a term of 99 years renewable for 99 years commencing from 1 July 1927.	(see Note 3)	

Notes:

- The registered owner of the property is Lanbo Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 10 June 2008 at a consideration of HK\$2,880,000.00 and registered in the Land Registry by Memorial No. 08070400520135 on 4 July 2008.
- The property is subject to a Deed of Mutual Covenant dated 16 July 1965 and registered in Urban Land Registry by Memorial No. 498672 on 18 August 1965.
- According to the information provided, the property was subject to 4 various tenancies with a monthly rental of HK\$28,000 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$8,000,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
7.	Flat A on 6th Floor, 240 Lockhart Road, Wanchai, Hong Kong	The property comprises a residential unit on the Sixth Floor of a 12-storey building which was completed in 1967.	As confirmed by the Instructing Party and the appointed personnel of WOG, major portion of the property was subject to tenancies while the remaining portion of the property was vacant as at the Valuation Date.	HK\$7,400,000 (100 per cent. interest)
	1/24th shares of and in the Remaining Portion of Inland Lot No. 5224 and the Remaining Portion of Inland Lot No. 5225 (the "Lots")	The property has a saleable area of approximately 588.79 sq.ft. (54.7 sq.m.). The property is located in a mixed residential and commercial area. The Lots are subject to Government Leases for a term of 99 years renewable for 99 years commencing 25 May 1929.	(see Note 5)	

Notes:

- The registered owner of the property is Lanbo Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 20 October 2008 at a consideration of HK\$2,501,099.00 and registered in the Land Registry by Memorial No. 08111101230291 on 11 November 2008.
- The property is subject to an Exclusion order No. 7 of 1967 (Remarks: Landlord & Tenant (Amendment Order) Amending Order Memorial No. 422163 dated 31 January 1967 and registered in Urban Land Registry by Memorial No. 570319 on 18 February 1967.
- The property is subject to a Deed of Mutual Covenants dated 25 September 1967 and registered in Urban Land Registry by Memorial No. 603925 on 23 November 1967.
- The property is subject to two various Fire Safety Compliance Order under Section 6(1) of Fire Safety (Buildings) Ordinance (Chapter 572) by the Magistrate i.e. Common Area dated 11 August 2016 and registered in Land Registry by Memorial Nos. 16091500790036 and 16091500790042 on 15 September 2016.
- According to the information provided, portion of the property was subject to 2 various tenancies with a monthly rental of HK\$12,600 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$7,200,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
8.	1st Floor of Rear Portion, No. 1 San Lok Street, Shek Wu Hui, Sheung Shui, New Territories, Hong Kong 1/12th shares of and in the Lot 3813 in D.D. 91 (the "Lot")	The property comprises a residential unit on the First Floor of a 4-storey (including Cockloft) tenement building which was completed in 1965. The property has a saleable area of approximately 699.66 sq.ft. (65.0 sq.m.). The property is located in a residential area. The Lot is subject to a New Grant No. 9098 for a term of 99 years commencing from 1 July 1898 (as extended until 30 June 2047 under Section 6 of the New Territories Leases (Extension) Ordinance 1988) at a Government Rent of 3 per cent. of rateable value.	As confirmed by the Instructing Party and the appointed personnel of WOG, portion of the property was subject to tenancies while the remaining portion of the property was vacant as at the Valuation Date. (see Note 5)	HK\$5,600,000 (100 per cent. interest)

Notes:

- The registered owner of the property is Newbo Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 29 August 2008 at a consideration of HK\$1,980,000.00 and registered in Land Registry by Memorial No. 08091100630055 on 11 September 2008.
- The property is subject to a Deed of Mutual Covenants dated 29 December 1966 and registered in North Land Registry by Memorial No. 159686 on 27 January 1967.
- The property is subject to a Statutory Declaration of Ip Man Wah Kiu also known as Yip Man Wah Kiu and a Statutory Declaration of Yap Lewin Theodore Prickerly also known as Lewin T. P. Yap both dated 5 April 2000 and registered in North Land Registry by Memorial Nos. 478431 and 478432 respectively on 12 May 2000.
- The property is subject to an Order No. "UBCSN/06-07/0001/13" under Section 24(1) of the Buildings Ordinance with Plan by Building Authority re Common Parts only dated 13 December 2017 and registered in the Land Registry by Memorial No. 19061900910386 on 19 June 2019.
- According to the information provided, portion of the property was subject to 2 various tenancies with a monthly rental of HK\$10,000 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$5,500,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
9.	6th Floor and its Interior Wall, No. 463 Hennessy Road, Causeway Bay, Hong Kong	The property comprises a residential unit on the Sixth Floor of a 15-storey industrial building which was completed in 1966.	As confirmed by the Instructing Party and the appointed personnel of WOG, the property was subject to various tenancies as at the Valuation Date.	HK\$6,200,000 (100 per cent. interest)
	1/42th shares of and in the Remaining Portion of Inland Lot No. 7152 (the "Lot")	The property has a total gross floor area and a saleable area of approximately 527.44 sq.ft (49 sq.m.). The property is located in a mixed residential and commercial area. The Lot is subject to a Government Lease for a term of 99 years renewable for 99 years commencing from 15 April 1929.	(see Note 5)	

Notes:

- The registered owner of the property is Newbo Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 30 September 2008 at a consideration of HK\$2,350,000.00 and registered in Land Registry by Memorial No. 08102300540126 on 23 October 2008.
- The property is subject to a Deed of Mutual Grant of Right of Way with Plan in favour of Wu Hon Kuen, Wu Kwong Kui, Wu Hong Wing and Wong Liu Chi Kwan dated 30 October 1967 and registered in Urban Land Registry by Memorial No. 606404 on 15 December 1967.
- The property is subject to a Declaration of Walter. S. W. Hon dated 14 May 1987 and registered in Urban Land Registry by Memorial No. 3626452 on 23 February 1988.
- The property is subject to a Deed of Mutual Covenant dated 4 June 1988 and registered in Urban Land Registry by Memorial No. 3751412 on 5 July 1988.
- According to the information provided, the property was subject to 4 various tenancies with a monthly rental of HK\$25,400 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$6,100,000.

No.	Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 31 May 2020
10.	3rd Floor, Vico Mansion, No. 3 Nanking Street, Yau Ma Tei, Kowloon, Hong Kong	The property comprises a residential unit on the Third Floor of a 10-storey building which was completed in 1970.	As confirmed by the Instructing Party and the appointed personnel of WOG, major portion of the property was subject to tenancies while the remaining portion of the property was vacant as at the Valuation Date.	HK\$5,300,000 (100 per cent. interest) <i>(see Note 5)</i>
	1/20th shares of and in the Remaining Portion of Sub-sections 3 and 4 of Section A of Kowloon Inland Lot No. 1301 (the "Lots")	The property has a saleable area of approximately 557.58 sq.ft. (51.8 sq.m.). The property is located in a mixed residential and commercial area.	<i>(see Note 5)</i>	
		The Lots are subject to a Government Lease for a term of 75 years renewable for 75 years commencing from 10 July 1916. The New Government Rent under Government Leases Ordinance from 10 July 1991 is \$1,674 per annum.		

Notes:

- The registered owner of the property is Winhero Investment Limited, an indirect wholly owned subsidiary of WOG, vide an assignment dated 6 July 2009 at a consideration of HK\$1,580,000.00 and registered in the Land Registry by Memorial No. 09080500530029 on 5 August 2009.
- The property is subject to a Deed of Mutual Covenants dated 17 June 1970 and registered in Urban Land Registry by Memorial No. 745915 on 3 July 1970.
- The property is subject to an Order No. INVO00059/K/11/S2 under Section 26A(1) of the Buildings Ordinance with Plan by the Building Authority (for the cantilevered slab canopy (CSC) facing Nanking Street at 2/F) dated 17 February 2012 and registered in the Land Registry by Memorial No. 12032201690010 on 22 March 2012.
- The property is subject to an Order No. UBCSN/14-09/0001/11 by the Building Authority under Section 24(1) of the Buildings Ordinance for common part(s) only dated 24 March 2015 and registered in the Land Registry by Memorial No. 15051801750016 on 18 May 2015.
- The property is subject to a Provisional Agreement for Sale and Purchase and an Agreement for Sale and Purchase in favour of Ng Kai Shing at a consideration of HK\$5,200,000.00 dated 20 March 2020 and 7 April 2020, respectively, and registered in the Land Registry by Memorial No. 20042000160015 and 20042100340012 on 20 April 2020 and 21 April 2020, respectively. As at the Latest Practicable Date (as defined in this circular), no relevant Assignment was registered in the Land Registry yet.
- According to the information provided, portion of the property was subject to 3 various tenancies with a monthly rental of HK\$15,000 on inclusive basis.
- For information purpose, the amount of valuation as at 31 March 2020 for accounts reporting purpose was HK\$5,200,000.

Group II – Properties held for investment by the WOG Group under long-term title certificates
in the PRC

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
11.	Huangbeiling Market Unit 03 on Level 1 of Fenghuang Complex Building, Fenghuang Road, Huangbeiling, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	<p>The property comprises a wet market known as Huangbeiling Market (黃貝嶺市場) with a total gross floor area of 461.17 square meters (“sq.m.”) in Unit 03 on Level 1 of a 5-storey commercial building, which was completed in around 1986.</p> <p>The property is located in Luohu District. The locality of the property is a mixed residential-cum-commercial area.</p> <p>The property is subject to a right to use the land for a term of 50 years till 15 January 2035 for Huangbeiling wet market use and the property is designated for commercial use.</p> <p>(see Note 1 below)</p>	<p>As advised by the appointed personnel of the WOG Group, as at the Valuation Date, the property was subject to various tenancy agreements for wet market.</p> <p>(see Note 3 below)</p>	<p>HK\$8,550,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Title Certificates (不動產權證) Shen Fang Di Zi Di No. 2000321048 Hao (深房地字第200321048號) dated 21 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 461.17 sq.m. is Shenzhen Jimao Market Co., Limited (深圳市集貿市場有限公司 and referred to as “Shenzhen Jimao”), a joint venture indirectly held by WOG with 50 percent ownership interest.
- Pursuant to a copy of an Enterprise Legal Person Business Licence dated 15 November 2016 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Huangbei Branch (深圳市集貿市場有限公司惠民街市黃貝分店) is a joint venture (Hong Kong invested) established on 1 November 2005.
- According to the information provided by WOG, the property was subject to 26 various tenancy agreements with a total monthly rental of about RMB159,424 exclusive of water, electricity and sanitation costs.
- We have been provided with a copy of legal opinion prepared by the WOG Group’s PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
- For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was Renminbi Yuan (“RMB”) 7,900,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
12.	Hehua Market 101 of Block 49 in Jing Bei South, Huangbei Road, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	<p>The property comprises a wet market known as Hehua Market (荷花市場) with a total gross floor area of 2,097.94 sq.m. on Unit 101 of Level 1 of a 2-storey commercial building, which was completed in around 1989.</p> <p>The property is located in Luohu District. The locality of the property is a mixed residential-cum-commercial area.</p> <p>The property is subject to a right to use the land for a term of 50 years till 17 June 2034 for commercial and residential uses and the property is designated for commercial use.</p> <p>(see Note 1 below)</p>	<p>As advised by the appointed personnel of the WOG Group, as at the Valuation Date, the property was subject to various tenancy agreements for wet market.</p> <p>(see Note 3 below)</p>	<p>HK\$18,700,000</p> <p>(50 per cent. interest)</p>

Notes:

1. Pursuant to a copy of Realty Title Certificates (不動產權證) Shen Fang Di Zi Di No. 2000321046 Hao (深房地字第2000321046號) dated 21 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 2,097.94 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
2. Pursuant to a copy of an Enterprise Legal Person Business Licence dated 10 September 2019 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Hehua Branch (深圳市集貿市場有限公司惠民街市荷花分店) is a joint venture (Hong Kong invested) established on 1 November 2005.
3. According to the information provided by WOG, the property was subject to 78 various tenancy agreements with a total monthly rental of RMB354,841 exclusive of water, electricity and sanitation costs.
4. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - (ii) Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
5. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB17,250,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
13.	Wenjin Market Unit 01 of Beidou Wet Market, Beidou Road, Luohu District, Shenzhen City, Guangdong Province, The PRC 518000	<p>The property comprises a wet market known as Wenjin Market (文錦市場) with a total gross floor area of 899.74 sq.m. on Unit 01 of Level 1 of a 7-storey building, which was completed in around 1990.</p> <p>The property is located in Luohu District. The locality of the property is a mixed residential-cum-commercial area.</p> <p>The property is subject to a right to use the land for a term of 40 years till 15 October 2028 for market/wet market use and the property is designated for wet market use.</p> <p>(see Note 1 below)</p>	<p>As advised by the appointed personnel of the WOG Group, as at the Valuation Date, the major portion of the property was subject to various tenancy agreements for wet market and small portion of the property was vacant.</p> <p>(see Note 3 below)</p>	<p>HK\$5,400,000 (50 per cent. interest)</p>

Notes:

- Pursuant to a copy of a Realty Title Certificates (不動產權證) Yue (2018) Shen Zhen Shi Bu Dong Chan Quan Di No. 0088571 Hao (粵(2018)深圳市不動產權第0088571號) dated 26 May 2018 and issued by Shenzhen Real Estate Registration Centre (深圳市不動產登記中心), the legally interested party in the property having a total gross floor area of 899.74 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
- Pursuant to a copy of an Enterprise Legal Person Business Licence dated 6 September 2019 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Wenjin Branch (深圳市集貿市場有限公司惠民街市文錦分店) is a joint venture (Hong Kong invested) established on 25 November 2005.
- According to the information provided by WOG, the property was subject to 36 various tenancy agreements with a total monthly rental of RMB136,363 exclusive of water, electricity and sanitation costs.
- We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - Shenzhen Jimao has a right to possess, transfer, lease or mortgage the properties in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
- For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB5,000,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
14.	Bibo Market Level 2 of Bibo Wet Market, Huangbei Road, Luohu District, Shenzhen City Guangdong Province The PRC 518000	<p>The property comprises a wet market known as Bibo Market (碧波市場) with a total gross floor area of 1,718.63 sq.m. on Level 2 of a 6-storey composite building, which was completed in around 1992.</p> <p>The property is located in Luohu District. The locality of the property is a mixed residential-cum-commercial area.</p> <p>The property is subject to a right to use the land for a term of 50 years till 27 October 2035 for residential and market uses and the property is designated for market use.</p> <p>(see Note 1 below)</p>	<p>As advised by the appointed personnel of the WOG Group, as at the Valuation Date, the property was subject to various tenancy agreements for wet market.</p> <p>(see Note 3 below)</p>	<p>HK\$7,300,000 (50 per cent. interest)</p>

Notes:

1. Pursuant to a copy of a Realty Title Certificate (不動產權證) Shen Fang Di Zi Di No. 2000321049 Hao (深房地字第200321049號) dated 21 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 1,718.63 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
2. Pursuant to a copy of an Enterprise Legal Person Business Licence dated 9 September 2019 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Bibo Branch (深圳市集貿市場有限公司惠民街市碧波分店) is a joint venture (Hong Kong invested) established on 30 November 2005.
3. According to the information provided by WOG, the property was subject to 17 various tenancy agreements with a total monthly rental of RMB132,217.10 exclusive of water, electricity and sanitation costs.
4. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - (ii) Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
5. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB6,750,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
15.	Honghu Market Level 1 of Honghu Wet Market Complex, Honghu Second Road, Luohu District, Shenzhen City Guangdong Province The PRC 518000	<p>The property comprises a wet market known as Honghu Market (洪湖市場) with a total gross floor area of 1,133.20 sq.m. on Level 1 of a 5-storey composite building, which was completed in around 1997.</p> <p>The property is located in Luohu District. The locality of the property is a mixed residential-cum-commercial area.</p> <p>The property is subject to a right to use the land for a term of 50 years till 14 July 2044 for wet market and residential/wet market uses and the property is designated for wet market use.</p> <p>(see Note 1 below)</p>	<p>As advised by the appointed personnel of the WOG Group, as at the Valuation Date, the property was subject to various tenancy agreements for wet market.</p> <p>(see Note 3 below)</p>	<p>HK\$4,850,000</p> <p>(50 per cent. interest)</p>

Notes:

1. Pursuant to a copy of a Realty Title Certificates (不動產權證) known as Yue (2018) Shen Zhen Shi Bu Dong Chan Quan Di No. 0088975 Hao (粵(2018)深圳市不動產權第0088975號) dated 22 April 2018 and issued by Shenzhen Real Estate Registration Centre (深圳市不動產登記中心), the legally interested party in the property having a total gross floor area of 1,133.20 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
2. Pursuant to a copy of an Enterprise Legal Person Business Licence dated 27 June 2017 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Honghu Branch (深圳市集貿市場有限公司惠民街市洪湖分店) is a joint venture (Hong Kong invested) established on 29 November 2005.
3. According to the information provided by WOG, the property was subject to 3 various tenancy agreements with a total monthly rental of RMB73,443 exclusive of water, electricity and sanitation costs.
4. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - (ii) Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
5. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB4,450,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
16.	Yuanling Market Unit 101 of Yuanling Wet Market, Yuanling 5th Street, Futian District, Shenzhen City, Guangdong Province The PRC 518000	<p>The property comprises a wet market known as Yuanling Market (圓嶺市場) with a total gross floor area of 1,998.33 sq.m. on Level 1 of a 4-storey composite building completed in about 1987.</p> <p>The property is located in a residential area.</p> <p>The property is subject to a right to use the lands for a term of 40 years till 17 June 2024 for wet market use and the property is designated for wet market use.</p> <p>(see Note 1 below)</p>	<p>As confirmed by the appointed personnel of the WOG Group, the property was vacant for renovation as at the Valuation Date.</p> <p>(see Notes 3 and 4 below)</p>	<p>HK\$3,050,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Certificate known as Shen Fang Di Zi Di No. 3000667349 Hao (深房地字第3000667349號) dated 8 September 2011 and issued by Shenzhen Real Estate Registration Centre (深圳市房地產權登記中心), the legally interested party in the property having a total gross floor area of 1,998.33 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
- Pursuant to a copy of an Enterprise Legal Person Business Licence dated 18 May 2017 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Yuanling Branch (深圳市集貿市場有限公司惠民街市圓嶺分店) is a joint venture (Hong Kong invested) established on 22 December 2005.
- As advised and confirmed by WOG, the property would be renovated from April 2020 to July 2020 with an estimated renovation cost of RMB1.87 million, which was taken into account in the valuation. The estimated time of reopening is 18 August 2020.
- As advised and confirmed by the appointed personnel of WOG Group, as at the Valuation Date, Yuanling Market has been relocated to a temporary location for operation, and the temporary location of Yuanling Market was subject to 42 various tenancy agreements with a total monthly rental of RMB205,021 exclusive of water, electricity and sanitation costs.
- We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
- For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB2,750,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
17.	Xinsha Market Level 1 of Shatao Wet Market Complex, Fuhua Road, Futian District, Shenzhen City, Guangdong Province, The PRC 518000	<p>The property comprises a wet market known as Xinsha Market (新沙市場) with a total gross floor area of 1,387.40 sq.m. on Level 1 of a 7-storey composite building completed in about 1995.</p> <p>The property is located in a residential area.</p> <p>The property is subject to a right to use the lands for a term of 50 years till 28 October 2043 for wet market and residential uses and the property is designated for wet market use.</p> <p>(see Note 1 below)</p>	<p>As confirmed by the appointed personnel of the WOG Group, major portion of the property was subject to various tenancy agreements for wet market and small portion of the property was vacant as at the Valuation Date.</p> <p>(see Notes 3 and 4 below)</p>	<p>HK\$8,100,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Certificate known as Shen Fang Di Zi Di No. 3000442244 Hao (深房地字第3000442244號) dated 14 December 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 1,387.40 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
- Pursuant to a copy of Enterprise Legal Person Business Licence dated 16 May 2017 and issued by Shenzhen Market Supervision and Administration Bureau (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Xinsha Branch (深圳市集貿市場有限公司惠民街市新沙分店) is a joint venture (Hong Kong invested) established on 17 April 2006.
- According to the information provided by WOG, the property was subject to 36 various tenancy agreements with a total monthly rental of RMB114,380 exclusive of water, electricity and sanitation costs.
- As advised and confirmed by WOG, the property will be renovated from June 2020 to August 2020 with an estimated renovation cost of RMB0.46 million, which was taken into account in the valuation, and the estimated time of reopening in the property is August 2020.
- We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate; and
 - As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions.
- For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB7,450,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
18.	Tiandong Market Level 1 of Shajingtou Market Complex, Jingtou Street East, Shatoujiao, Yantian District, Shenzhen City, Guangdong Province The PRC 518000	<p>The property comprises a wet market known as Tiandong Market (田東市場) with a total gross floor area of 1,721.03 sq.m. on Level 1 of a 7-storey composite building completed in about 1993.</p> <p>The property is located in a residential area.</p> <p>The property is subject to a right to use the lands for a term of 50 years from 22 March 1990 to 21 March 2040 for agri-product market use and the property is designated for agri-product market.</p> <p>(see Note 1 below)</p>	<p>As confirmed by the appointed personnel of the WOG Group, the property was vacant for urban renewal as at the Valuation Date.</p> <p>(see Notes 3 & 4 below)</p>	<p>HK\$12,550,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Certificate known as Shen Fang Di Zi Di No. 7000038374 Hao (深房地字第 7000038374 號) dated 20 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 1,721.03 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
- Pursuant to a copy of Enterprise Legal Person Business Licence dated 5 March 2020 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Tiandong Branch (深圳市集貿市場有限公司惠民街市田東分店) is a joint venture (Hong Kong invested) established on 4 November 2005.
- As advised and confirmed by WOG, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, and as at the Latest Practicable Date, Shenzhen Jimao and 深圳市易達成投資有限公司 (translated as Shenzhen Yidacheng Investment Limited and refer to as “**Shenzhen Yidacheng**”) entered into various resettlement compensation agreements. We are advised that Shenzhen Jimao shall be compensated with a property at the entire Level 1 for the operation of wet market upon completion of the relevant urban renewal scheme and be provided with a temporary location at Levels 1 and 2 of the commercial podium of Shenyang Road Shaxin Building for the resettlement of the existing tenants of the property during the urban renewal period. Shenzhen Yidacheng shall be responsible for the rent and renovation cost of the temporary location. Moreover, Shenzhen Yidacheng shall pay Shenzhen Jimao a resettlement compensatory fee of RMB8,573,052. As the above is a post valuation date event, we have not considered the effect of the resettlement compensation agreement in our valuation.

4. As advised and confirmed by WOG, as at the Valuation Date, the tenants in the Tiandong Market have been relocated to a temporary location for continued operation. The temporary location for the Tiandong Market was subject to 63 various tenancy agreements with a total monthly rental of RMB219,605 exclusive of water, electricity and sanitation costs.
5. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - (ii) Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate;
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions; and
 - (iv) As confirmed by Shenzhen Jimao, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme. Shenzhen Jimao entered into various resettlement compensation agreements with Shenzhen Yidacheng, and Shenzhen Jimao has voluntarily chosen property title swap as the resettlement compensation measure. According to the various resettlement compensation agreements, Shenzhen Jimao shall be compensated with a property at the entire Level 1 for the operation of wet market upon completion of the relevant urban renewal scheme and be provided with a temporary location at Levels 1 and 2 of the commercial podium of Shenyang Road Shaxin Building for the resettlement of the existing tenants of the property during the urban renewal period. Shenzhen Yidacheng shall be responsible for the rent and renovation cost of the temporary location. Moreover, Shenzhen Yidacheng shall pay Shenzhen Jimao a resettlement compensatory fee of RMB8,573,052.
6. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB11,600,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
19.	Yantian Market Units 101, 105 and 202 of Yantian Market Complex, South of Beishan Road, Yantian District, Shenzhen City, Guangdong Province The PRC 518000	<p>The property comprises a wet market known as Yantian Market (鹽田市場) with a total gross floor area of 1,360.22 sq.m. in three various units of a 7-storey composite building completed in about 1985.</p> <p>The property is located in a residential area.</p> <p>The property is subject to a right to use the lands for a term of 40 years from 10 August 1983 to 9 August 2023 for commercial, office and dormitory uses and the property is designated for commercial use.</p> <p>(see Note 1 below)</p>	<p>As confirmed by the appointed personnel of the WOG Group, the property was vacant for demolition and urban renewal as at the Valuation Date.</p> <p>(see Notes 3 & 4 below)</p>	<p>HK\$360,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to three various copies of Realty Certificates known as Shen Fang Di Zi Di Nos. 7000038137, 7000038136 and 7000038138 Hao (深房地字第7000038137, 7000038136及7000038138號) all dated 6 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 1,360.22 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
- Pursuant to a copy of Enterprise Legal Person Business Licence dated 29 September 2019 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Yantian Branch (深圳市集貿市場有限公司惠民街市鹽田分店) is a joint venture (Hong Kong invested) established on 9 December 2005.
- According to a copy of 檢測鑒定報告 provided by WOG Group and issued by the 深圳市建築科學研究院, the property was recommended to be demolished due to structural issues. As advised and confirmed by the appointed personnel of the WOG Group, as at the Valuation Date, the tenants in the Yantian Market have been relocated to a temporary location for continued operation.
- As advised and confirmed by the appointed personnel of WOG Group, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, Shenzhen Jimao is negotiating with the developer on the resettlement compensation agreement and no agreement has been entered.
- We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;

- (ii) Shenzhen Jimao has an right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate;
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions;
 - (iv) According to a 檢測鑒定報告 issued by the 深圳市建築科學研究院, the property was recommended to be demolished As confirmed by Shenzhen Jimao, the property has not been used since January 2016; and
 - (v) As confirmed by Shenzhen Jimao, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, and the relevant resettlement compensation agreement is under negotiation with the relevant urban renewal responsible party. No resettlement compensation agreement has been entered, and the relevant government authority has not decided on the compensation and not announced on the resettlement date. Base on these confirmation, it is opined that Shenzhen Jimao can continue to use the property before entering the resettlement compensation agreement or making decision on compensation.
6. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB330,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
20.	Tianxin Market Level 1 of Gong Shang Huan Wei Composite Building, 2nd of No. 7 Shayan Road, Shatoujiao, Yantian District, Shenzhen City, Guangdong Province, The PRC 518000	<p>The property comprises a wet market known as Tianxin Market (田心市場) with a total gross floor area of 671.50 sq.m. on Level 1 of a 2-storey composite building completed in about 1990.</p> <p>The property is located in a residential area.</p> <p>The property is subject to a right to use the lands for a term of 50 years from 19 April 1988 to 18 April 2038 for residential use and the property is designated for market use.</p> <p>(see Note 1 below)</p>	<p>As confirmed by the appointed personnel of the WOG Group, the property was vacant for renovation as at the Valuation Date.</p> <p>(see Notes 3 to 5 below)</p>	<p>HK\$5,600,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Certificate known as Shen Fang Di Zi Di No. 7000038375 Hao (深房地字第 7000038375 號) dated 20 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 671.50 sq.m. is Shenzhen Jimao, a joint venture indirectly held by WOG with 50 per cent. ownership interest.
- Pursuant to a copy of an Enterprise Legal Person Business Licence dated 16 May 2017 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Tianxin 9th Branch (深圳市集貿市場有限公司惠民街市田心9號店) is a joint venture (Hong Kong invested) established on 18 April 2006.
- As advised and confirmed by WOG, the property will be renovated from July 2020 to September 2020 with an estimated renovation cost of RMB1.06 million, which was taken into account in the valuation, and the estimated time of reopening is October 2020.
- As advised and confirmed by WOG, Tianxin Market has been relocated to a temporary location for operation, and the Tianxin Market in the temporary location was subject to 26 various tenancy agreements with a total monthly rental of RMB98,080 exclusive of water, electricity and sanitation costs.
- As advised and confirmed by the appointed personnel of WOG Group, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, Shenzhen Jimao is negotiating with the developer on the resettlement compensation agreement and no agreement has been entered.

6. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
- (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;
 - (ii) Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate;
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions; and
 - (iv) As confirmed by Shenzhen Jimao, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, and the relevant resettlement compensation agreement is under negotiation with the relevant urban renewal responsible party. No resettlement compensation agreement has been entered, and the relevant government authority has not decided on the compensation and not announced on the resettlement date. Based on these confirmation, it is opined that Shenzhen Jimao can continue to use the property before entering the resettlement compensation agreement or making decision on compensation.
7. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB5,050,000 (rounded).

No.	Property	Description	Particulars of occupancy	Amount of valuation in its existing state attributable to the WOG Group as at 31 May 2020
21.	Xili Market Level 1 of Xili Market Complex, Shahe Road West, Nanshan District, Shenzhen City, Guangdong Province, The PRC 518000	<p>The property comprises a wet market known as Xili Market (西麗市場) with a total gross floor area of 2,013.51 sq.m. on Level 1 of a 7-storey composite building completed in about 1995.</p> <p>The property is located in a residential area.</p> <p>The property is subject to a right to use the lands for a term of 50 years from 15 June 1993 to 14 June 2043 for commercial use and the property is designated for commercial use.</p> <p>(see Note 1 below)</p>	<p>As confirmed by the appointed personnel of the WOG Group, as at the Valuation Date, the portion of the property was subject to various tenancy agreements for wet market and portion of the property was vacant.</p> <p>(see Notes 3 to 5 below)</p>	<p>HK\$9,250,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Certificate known as Shen Fang Di Zi Di No. 4000276613 Hao (深房地字第4000276613號) dated 24 July 2006 and issued by State-own Land Resources and Housing Management Bureau of Shenzhen City (深圳市國土資源及房產管理局), the legally interested party in the property having a total gross floor area of 1,387.40 sq.m. is Shenzhen Jimao.
- Pursuant to a copy of an Enterprise Legal Person Business Licence dated 15 May 2017 and issued by Market Supervision and Administration Bureau of Shenzhen City (深圳市市場監督管理局), Shenzhen Jimao Huimin Market Xili Branch (深圳市集貿市場有限公司惠民街市西麗分店) is a joint venture (Hong Kong invested) established on 22 December 2005.
- According to the information provided by WOG, the property was subject to 32 various tenancy agreements with a total monthly rental of RMB96,248 exclusive of water, electricity and sanitation costs, and 775.51 sq.m. of the property was vacant.
- As advised and confirmed by WOG, the property will be renovated from August 2020 to October 2020 with an estimated renovation cost of RMB0.68 million, which was taken into account in the valuation.
- As advised and confirmed by WOG, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, Shenzhen Jimao is negotiating with the developer on the resettlement compensation agreement and no agreement has been entered.
- We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal advisor regarding the property, which contains, *inter alia*, the following:
 - Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificate;

- (ii) Shenzhen Jimao has a right to possess, transfer, lease or mortgage the property in compliance with the relevant laws and regulations within the terms and usage under the aforesaid Realty Title Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Title Certificate;
 - (iii) As confirmed by Shenzhen Jimao, apart from disclosure in the legal opinion, the property is not subject to any litigation, non-litigation penalty, compulsory requisition, seized, sale, transfer or other dispute, of which there is no harsh or abnormal promise, conditions or restrictions; and
 - (iv) As confirmed by Shenzhen Jimao, the property falls within the boundary of relevant Shenzhen City Urban Renewal Scheme, and the relevant resettlement compensation agreement is under negotiation with the relevant urban renewal responsible party. No resettlement compensation agreement has been entered, and the relevant government authority has not decided on the compensation and not announced on the resettlement date. Base on these confirmation, it is opined that Shenzhen Jimao can continue to use the property before entering the resettlement compensation agreement or making decision on compensation.
7. For information purpose, the 50 per cent. interest of the property as at 31 March 2020 for accounts reporting purpose was RMB8,500,000 (rounded).

The following is the text of a letter, summary of valuation and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation of the properties held by the WOG Subsidiaries as at 31 May 2020.



Asset Appraisal Limited

中誠達資產評估顧問有限公司

Rm 901 9/F On Hong Commercial Building
No.145 Hennessy Road Wanchai HK
香港灣仔軒尼詩道145號安康商業大廈9樓901室
Tel: (852) 2529 9448 Fax: (852) 3521 9591

24 July 2020

The Board of Directors
Wang On Group Limited
Suite 3202, 32/F.,
Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon, Hong Kong

Dear Sirs,

Re: Valuation of Properties situated in Hong Kong

In accordance with the instructions from **Wang On Group Limited** (the “**WOG**”) to value the property interests (the “**Properties**”) held by the WOG or its subsidiaries (altogether referred to as the “**WOG Group**”), we confirm that we have carried out inspection of the Properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 May 2020 (the “**Valuation Date**”).

BASIS OF VALUATION

Our valuation of the Properties represents its market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Properties. However, we have not verified ownerships of the Properties or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION METHODOLOGY

In valuing the property interests in WOG Group I which are held by the WOG Group for investment purpose, both the comparison method and investment method are adopted. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values and investment method is by capitalizing the net rental incomes of the property derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies adopt in order to arrive at a fair value of the capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Properties on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Properties.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in holding them. It is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the WOG and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the site and floor areas in respect of the Properties but have assumed that the site areas and the floor areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Properties were last inspected on between 1 June to 15 July by Sandra Lau and Tse Wai Leung. We have inspected the exterior and, where possible, the interior of the buildings and structures of the Properties. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from earthquakes or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by WOG. We have also sought confirmation from WOG that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the property interest, we have complied with all the requirements contained in Rule 11 of the Code on Takeovers and Mergers of the Securities and Futures Commission Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2017 Edition.

As advised by the WOG Group, disposal of properties situated in Hong Kong (particularly for those properties held for sale) will be subject to stamp duty and profit tax of 16.5% on net profit, save for deduction of any profit arising from capital gain in nature. For properties held for investment or self use, the WOG Group has no intention to dispose of these properties at present. Therefore the likelihood of such tax liability is remote.

Our summary of valuation and valuation certificate are attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra S.W. Lau *MHKISA API RPS(GP)*
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

SUMMARY OF VALUATION

Property	Market value in existing state as at 31 May 2020 <i>HK\$</i>	Interest attributable to the WOG Group as at 31 May 2020 %	Value of property interest attributable to the WOG Group as at 31 May 2020 <i>HK\$</i>
Group I: Property interests held by the WOG Group for investment purpose			
1. House 2 and Car Parking Spaces 3 and 4, Winners Lodge, Nos. 9, 11, 13, 15 Ma Yeung Path, Shatin, New Territories.	98,000,000	100%	98,000,000

VALUATION CERTIFICATE

Property interests held by the WOG Group for investment purpose

Property No. 1	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
House 2 and Car Parking Spaces 3 and 4, Winners Lodge, Nos. 9, 11, 13, 15 Ma Yeung Path, Shatin, New Territories.	The subject property is a 2-storey detached house of reinforced concrete construction completed in about 1983.	The property was subject to a tenancy for a term of 3 years commencing from 15 November 2019 and expiring on 14 November 2022 at a monthly rent of HK\$100,000 exclusive of rates and management fees.	98,000,000
27/112th shares of and in Sha Tin Town Lot Nos. 102 and 103.	The house has a gross floor area of approximately 3,663 square feet. The house boundary area is approximately 6,931 square feet. The subject property is held under New Grant Nos. 11474 and 11475 respectively for a term of 99 years commencing from 1 July 1898. In our valuation, we take into account that such leases are extended without premium until 30 June 2047 and that a rent of three percent of the rateable value of the property is charged from the date of extension.		

Notes:

1. The registered owner of the property is Richly Gold Limited, a wholly-owned subsidiary of the WOG Group vide memorial no. ST1353241 dated 5 January 2004.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited for the consideration of all moneys vide memorial no. 07101000710128 dated 24 September 2007.
3. The property falls within an area zoned "Residential (Group B)" under Sha Tin Outline Zoning Plan No. S/ST/34.
4. Developments in the vicinity comprise mainly private residential buildings and houses of various ages. This locality is an established low density residential area with majority of the buildings built between 1980s and 1990s.
5. The valuation as at 31 March 2020 for account purpose was HK\$98,000,000.

The following is the text of a letter, summary of valuation and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 May 2020 of the properties held by the WOP Group.



Asset Appraisal Limited
中誠達資產評估顧問有限公司

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24 July 2020

The Board of Directors
Wang On Group Limited

Suite 3202, 32/F
Skyline Tower
No. 39 Wang Kwong Road
Kowloon Bay
Kowloon

Dear Sirs,

Re: Valuation of Properties situated in Hong Kong

In accordance with the instructions from Wang On Properties Limited (the “**WOP**”) to value the property interests (the “**Properties**”) held by the WOP or its subsidiaries (altogether referred to as the “**WOP Group**”), we confirm that we have carried out inspection of the Properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 May 2020 (the “**Valuation Date**”).

BASIS OF VALUATION

Our valuation of the Properties represents its market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Properties. However, we have not verified ownerships of the Properties or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION METHODOLOGY

In valuing the property interests in group I which are held by the WOP Group for investment purpose, both the comparison method and investment method are adopted. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values and investment method is by capitalizing the net rental incomes of the property derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies adopt in order to arrive at a fair value of the capital values.

In valuing the property interests in group II which are held by the WOP Group under development for sale, we have valued it by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

In valuing the property interests in group III and IV which are held by the WOP Group for Self-Occupation and Properties held for Sales purpose, the comparison method is adopted. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Properties on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Properties.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in holding them. It is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the WOP and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the site and floor areas in respect of the Properties but have assumed that the site areas and the floor areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Properties were last inspected on between 1 June to 15 July, who is Sandra Lau and Tse Wai Leung. We have inspected the exterior and, where possible, the interior of the buildings and structures of the Properties. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from earthquakes or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by the WOP. We have also sought confirmation from the WOP that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the property interest, we have complied with all the requirements contained in Rule 11 of the Code on Takeovers and Mergers of the Securities and Futures Commission Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2017 Edition.

As advised by the WOP Group, disposal of properties situated in Hong Kong (particularly for those properties held for sale) will be subject to stamp duty and profit tax of 16.5% on net profit, save for deduction of any profit arising from capital gain in nature. For properties held for self occupation, the WOP Group has no intention to dispose of these properties at present, therefore the likelihood of such tax liability is remote.

Our summary of valuation and valuation certificate are attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited
Sandra S.W. Lau *MHKISAAP I RPS(GP)*
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

SUMMARY OF VALUATION

Property	Market value	Interest	Value of
	in existing state	attributable to	property
	as at	the WOP Group	interest
	31 May 2020	as at	attributable to
	HK\$	31 May 2020	the WOP Group
		%	as at
			31 May 2020
			HK\$
Group I: Property interests held by the WOP Group for investment purpose			
1. Shop 6 on Ground Floor, Grandeur Garden, Nos. 14–18 Chik Fai Street, Nos. 55–65 Tai Wai Road, Sha Tin, New Territories	66,800,000	100%	66,800,000
2. 8th Floor, Kingsun Computer Industrial Building, No. 40 Shek Pai Wan Road, Hong Kong	21,000,000	100%	21,000,000
3. Office on 30th Floor, United Centre, No. 95 Queensway, Hong Kong	530,000,000	100%	530,000,000
4. Rear Portion of 5th Floor, Granville Building, No. 12 Granville Road, Kowloon	9,000,000	100%	9,000,000
5. Front Portion of 6th Floor, Granville Building, No. 12 Granville Road, Kowloon	11,000,000	100%	11,000,000
6. Flat No. B on 3rd Floor, No. 14, Granville Road, Kowloon	9,000,000	100%	9,000,000

Property	Market value	Interest	Value of
	in existing state	attributable to	property
	as at	the WOP Group	interest
	31 May 2020	as at	attributable to
	HK\$	31 May 2020	the WOP Group
		%	as at
			31 May 2020
			HK\$
7. Flat A & B on 3/F; Flat A & B at 4/F; Portion A&B of Roof, Car Parking space Nos. L2, L3, L6 on G/F of Mai Tong Industrial Building, No. 22 Sze Shan Street, Kowloon, Hong Kong	126,000,000	100%	126,000,000
8. Shop D on Ground Floor, On Ning Building, Nos. 47, 51, 53 & 55 Ma Tau Kok Road, Kowloon	62,100,000	100%	62,100,000
9. The Commercial Areas (including the Commercial Parking Areas) the Commercial Common, Areas and Facilities and the Kindergarten, Lake Silver No. 599 Sai Sha Road, Ma On Shan, Sha Tin, New Territories	740,000,000	50%	370,000,000
10. The Commercial Accommodation and 54 Car Parking Spaces of The Parkside, No. 18 Tong Chun Street, Tseung Kwan O, New Territories	862,000,000	50%	431,000,000
11. Various Units (refer to note 3) of EW International Tower No. 120 Texaco Road Tsuen Wan New Territories	172,500,000	40%	69,000,000

Property	Market value	Interest	Value of
	in existing state as at 31 May 2020 HK\$	attributable to the WOP Group as at 31 May 2020 %	property interest attributable to the WOP Group as at 31 May 2020 HK\$
Group II: Property interests held by the WOP Group under development			
12. 76 residential units, G/F and 1/F commercial area on Ground and 1/F, 68 car parking spaces and 7 motor cycle parking spaces, Nos. 13 and 15 Sze Shan Street, Yau Tong, Kowloon	1,770,000,000	50%	885,000,000
13. 120 residential units, 177 car parking spaces and 6 motor cycle parking spaces, Yiu Sha Road, Whitehead, Ma On Shan, Sha Tin, New Territories	3,200,000,000	40%	1,280,000,000
14. Nos. 86A, 86B, 86C and 86D Pok Fu Lam Road, Hong Kong	1,070,000,000	70%	749,000,000
15. Junction of Liu To Road and Hang Mei Street, Tsing Yi, New Territories	968,000,000	100%	968,000,000
16. Nos. 50, 52, 54, 56, 60 & 62 Larch Street & Nos. 6 & 8 Lime Street Kowloon	637,000,000	100%	637,000,000
17. Nos. 26, 26A, 28, 30, 32 & 32A, Nos. 34 & 36, No. 38, No. 40, No. 42, No. 44, No. 46, No. 48, Ming Fung Street, Kowloon	670,000,000	100%	670,000,000

Property	Market value in existing state as at 31 May 2020 HK\$	Interest attributable to the WOP Group as at 31 May 2020 %	Value of property interest attributable to the WOP Group as at 31 May 2020 HK\$
Group III: Property interests held by the WOP Group for Self Occupation purpose			
18. House C Greenland Villas, Nos. 8/12 Ma Yeung Path, Sha Tin, New Territories	67,000,000	100%	67,000,000
Group IV: Property interests held by the WOP Group for Sales purpose			
19. Nos. 575 and 575A Nathan Road, Kowloon	660,000,000	100%	660,000,000
20. 12 Residential Car Parking Space and 3 Motor Cycle Parking Space, The Met. Acappella, No. 7838 Tai Po Road Tai Wai, Sha Tin, New Territories	26,000,000	100%	26,000,000
21. 3 Residential Car Parking Space and 5 Residential Motor Cycle Parking Space The Met. Blossom, Ma On Shan, Sha Tin, New Territories	5,650,000	60%	3,390,000
22. 20 Residential Car Parking Space and 4 Residential Motor Cycle Parking Space, The Met. Bliss, Hang Kwong Street, Ma On Shan, Sha Tin, New Territories	32,680,000	60%	19,608,000
Grand Total:	<u>11,715,730,000</u>		<u>7,669,898,000</u>

VALUATION CERTIFICATE

Property interests held by the WOP Group for investment purposes

Property No. 1	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 HKD
Shop 6 on Ground Floor, Grandeur Garden, Nos. 14–18 Chik Fai Street, Nos. 55–65 Tai Wai Road, Shatin, New Territories 15/12000th share of and in Sha Tin Town Lot No. 199	The property comprises a shop unit on Ground Floor of a 2-storey commercial podium of Grandeur Garden completed in about 1985. The gross floor area of the property is approximately 62.6 sq.m. (674 sq.ft). The property is held under New Grant No. 11871 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	The property was subject to a tenancy for a term of 3 years commencing from 2 October 2017 and expiring on 1 October 2020 at a monthly rent of HK\$149,500 exclusive of rates and management fees.	66,800,000

Notes:

1. The registered owner of the property is Longable Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 05031801360116 dated 1 March 2005.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage to secure all moneys in respect of general banking facilities and interest thereon in favour of Hang Seng Bank Limited vide memorial no. 16061502290034 dated 10 June 2016.
 - b. The property is subject to rental assignment in favour of Hang Seng Bank Limited vide memorial no. 16061502290049 dated 10 June 2016.
3. The property falls within an area zoned “Residential (A)” under Shatin Outline Zoning Plan No. S/ST/34.
4. The locality is an established residential area. Developments in the vicinity comprise mainly tenement and residential estate. The property is located on the main road of Tai Wai with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was \$41,000,000.

VALUATION CERTIFICATE

Property No. 2	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
8th Floor, Kingsun Computer Industrial Building, No. 40 Shek Pai Wan Road, Hong Kong	The property comprises an industrial space on the whole 8th floor of a 17-storey industrial building completed in about 1981. The saleable area of the property is approximately 274.6 sq.m. (2,956 sq. ft).	The property was subject to a tenancy for a term of 2 years commencing from 16 May 2019 and expiring on 15 May 2021 at a monthly rent of HK\$46,760 exclusive of rates and management fees.	21,000,000
2/42nd shares of and in Aberdeen Inland Lot No. 395	The property is held under Conditions of Sale No. 11161 for a term of 75 years renewable for 75 years commencing on 17 January 1978.		

Notes:

1. The registered owner of the property is City Global Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 09110402090020 dated 8 October 2009.
2. The property falls within an area zoned "Residential (A)" under Aberdeen & Ap Lei Chau Outline Zoning Plan No. S/H15/33.
3. The locality is an established residential/industrial area. Developments in the vicinity comprise mainly industrial building and residential estate.
4. The valuation as at 31 March 2020 for account purpose was \$21,000,000.

VALUATION CERTIFICATE

Property No. 3	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Office on 30th Floor, United Centre, No. 95 Queensway, Hong Kong	The property comprises the office space on 30th floor within a 35-storey office building of reinforced concrete construction completed in about 1980.	The property was subject to a tenancy agreement for a term of 3 years expiring on 31 March 2023 with a rent of HK\$1,147,384 exclusive of rates and management fees.	530,000,000
1742/74554th shares of and in Inland Lot No. 8469	The property has a saleable area of approximately 17,754 square feet. The property is held under the Conditions of Sale No. UB11233 for a term of 75 years and renewable for another 75 years commencing on 4 August 1978 at a government rent of HK\$1,000 per annum for the whole lot.		

Notes:

1. The registered owner of the property is Stadium Holdings Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 09042900420057 dated 31 March 2009.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 17020902540425 1 dated 25 January 2017.
 - b. The property is subject to rental assignment in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 17020902540430 dated 25 January 2017.
3. The property falls within an area zoned "Commercial" under Central District Outline Zoning Plan No. S/H4/17.
4. The locality is an established commercial business district. Developments in the vicinity are mainly grade A office building and MTR Admiralty station is situated in the vicinity.
5. The valuation as at 31 March 2020 for account purpose was \$530,000,000.

VALUATION CERTIFICATE

Property No. 4	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Rear Portion of 5th Floor, Granville Building, No. 12 Granville Road, Kowloon	The property comprises an residential unit on 5th floor within a 10-storey residential building of reinforced concrete construction completed in about 1965.	The property was subject to a tenancy for a term of 2 years commencing from 17 October 2018 and expiring on 16 October 2020 at a monthly rent of HK\$32,000 exclusive of rates and management fees.	9,000,000
1/25th shares of and in Kowloon Inland Lot No. 8517	The property has a saleable area of approximately 662 square feet. The property is held under the Conditions of Regrant No. 7630 for a term of 150 years commencing on 24 June 1888.		

Notes:

1. The registered owner of the property is Star Bonus Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 16081700630062 dated 19 July 2016.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to an Order No. UBZ/U56/1050/01 under S.24(1) of the Buildings Ordinance registered vide memorial no. UB8951877 dated 17 December 2002. (As advised by the WOP the cost to remove the order is approximately \$51,500.)
3. The property falls within an area zoned "Commercial (6)" under Tsim Sha Tsui Outline Zoning Plan No. S/K1/28.
4. The locality is an established residential and commercial district. Developments in the vicinity comprise mainly composite building, office building and tenements. MTR Tsim Sha Tsui station is situated in the vicinity.
5. The valuation as at 31 March 2020 for account purpose was \$9,000,000.

VALUATION CERTIFICATE

Property No. 5	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Front Portion of 6th Floor, Granville Building, No. 12 Granville Road, Kowloon	The property comprises an residential unit on 5th floor within a 10-storey residential building of reinforced concrete construction completed in about 1965.	The property was subject to a tenancy for a term of 3 years commencing from 10 October 2017 and expiring on 9 October 2020 at a monthly rent of HK\$28,800 exclusive of rates and management fees.	11,000,000
1/25th shares of and in Kowloon Inland Lot No. 8517	The property has a saleable area of approximately 662 square feet. The property is held under the Conditions of Regrant No. 7630 for a term of 150 years commencing on 24 June 1888.		

Notes:

1. The registered owner of the property is Star Bonus Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 17042400760149 dated 28 March 2017.
2. The property falls within an area zoned "Commercial (6)" under Tsim Sha Tsui Outline Zoning Plan No. S/K1/28.
3. The locality is an established residential and commercial district. Developments in the vicinity comprise mainly composite building, office building and tenements. MTR Tsim Sha Tsui station is situated in the vicinity.
4. The valuation as at 31 March 2020 for account purpose was \$11,000,000.

VALUATION CERTIFICATE

Property No. 6	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Flat No. B on 3rd Floor, No. 14, Granville Road, Kowloon	The property comprises an residential unit on 3rd floor within a 9-storey residential building of reinforced concrete construction completed in about 1965.	The property was subject to a tenancy for a term of 2 years expiring on 22 March 2022 at a monthly rent of HK\$28,000 exclusive of rates and management fees.	9,000,000
1/20th shares of and in Kowloon Inland Lot No. 7284	The property has a saleable area of approximately 662 square feet. The property is held under the Conditions of Regrant No. 6021 for a term of 150 years commencing on 24 June 1888.		

Notes:

1. The registered owner of the property is Star Bonus Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 17091901210042 dated 24 August 2017.
2. The property falls within an area zoned "Commercial (6)" under Tsim Sha Tsui Outline Zoning Plan No. S/K1/28.
3. The locality is an established residential and commercial district. Developments in the vicinity comprise mainly composite building, office building and tenements. MTR Tsim Sha Tsui station is situated in the vicinity.
4. The valuation as at 31 March 2020 for account purpose was \$9,000,000.

VALUATION CERTIFICATE

Property No. 7	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Flat A&B on 3/F; Flat A&B at 4/F; Portion A&B of Roof, Car Parking space Nos. L2, L3, L6 on G/F of Mai Tong Industrial Building, No. 22 Sze Shan Street, Kowloon, Hong Kong 235/770th shares of and in Yau Tong Inland Lot No. 25	The property is a 7-storey industrial building of reinforced concrete construction completed in about 1977. The property has a total gross floor area of approximately 36,494 square feet. The property is held under New Grant No. 11475 for a term of 99 years commencing from 1 July 1898. In our valuation, we take into account that such leases are extended without premium until 30 June 2047 and that a rent of three percent of the rateable value of the property is charged from the date of extension.	The properties are subject to various tenancies with total monthly rental of HK\$271,500 exclusive of rates and management fees.	126,000,000

Notes:

1. The registered owner of the property is Top Supreme Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 18020701620015 dated 9 January 2018.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to an Order No. UBCSI/03-48/0012/11 under S.24(1) of the Buildings Ordinance registered vide memorial no. 13082700620287 dated 25 March 2013.
 - b. Portion A of roof is subject to a Notice No. WNZ/U11-35/0001/06 under S.24C(1) of the Buildings Ordinance registered vide memorial no. 08080101260319 dated 3 March 2008.
 - c. Portion B of roof is subject to a Notice No. WNZ/U11-35/0002/06 under S.24C(1) of the Buildings Ordinance registered vide memorial no. 08080101260327 dated 3 March 2008.
 - d. The property is subject to mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 18073102400118 dated 12 July 2018.
 - e. The property is subject to rent assignment in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 18073102400128 dated 12 July 2018.

(As advised by the WOP the cost to remove the order is approximately \$18,000.)
3. The property falls within an area zoned "Residential (Group E)" under Cha Kwo Ling Yau Tong Lei Yue Mun Outline Zoning Plan No. S/K15/25.
4. The locality is a traditional industrial area and private housing estates have been built in the locality. Yau Tong MTR are situated within walking distance.
5. The valuation as at 31 March 2020 for account purpose was \$126,000,000.

VALUATION CERTIFICATE

Property No. 8	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Shop D on Ground Floor, On Ning Building Nos. 47, 51, 53 & 55 Ma Tau Kok Road Kowloon	The property is a shop unit on the ground floor of a 14-storey composite building of reinforced concrete construction completed in about 1981.	The property is subject to a tenancy for a term of 2 years expired on 13 January 2022 at a monthly rent of \$70,000 exclusive of rates and management fees.	62,100,000
60/220th shares of and in the Remaining Portion of Kowloon Inland Lot No. 1465, the Remaining Portion of Section A–C of Kowloon Inland Lot No. 1465	The property has a saleable area of approximately 2,300 square feet. The property is held under Government Lease for a term of 75 years renewable for 75 years commencing from 20 March 1922.		

Notes:

1. The registered owner of the property is Full Loyal Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 19072301320031 dated 28 June 2019.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of Bank of China (Hong Kong) Limited vide memorial no. 20040800950089 dated 27 March 2020.
 - b. Assignment of Rentals vide memorial no. 20040901300058 dated 27 March 2020.
3. The property falls within an area zoned “Residential (Group A)” under Ma Tau Kok Outline Zoning Plan No. S/K10/25.
4. The locality is an established residential area. Developments in the vicinity comprise mainly composite building, tenement building and residential estate and the property is located on the road with moderate pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$62,100,000.

VALUATION CERTIFICATE

Property No. 9	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
<p>The Commercial Areas (including the Commercial Parking Areas), the Commercial Common Areas and Facilities and the Kindergarten, Lake Silver No. 599 Sai Sha Road, Ma On Shan, Sha Tin New Territories</p> <p>2,115/95,844th share of and in Sha Tin Town Lot No. 530</p>	<p>The Property comprises the commercial units on Level 1, a total of 20 bays of private car parking spaces on Level 2, the kindergarten on Level 2 and the commercial common areas and facilities within a 2-storey commercial podium surmounted by a total of 7 blocks of 38 to 46-storey residential towers. The Property was completed in 2009.</p> <p>The total saleable floor area of the commercial units and the kindergarten of the Property is approximately 2,914.53 sq.m. (31,372 square feet).</p> <p>The Property is held under New Grant No. 20139 for a term of 50 years commencing on 6 October 2005 at an annual Government rent charged at 3% of the rateable value of the Property.</p>	<p>The commercial units, the kindergarten and the parking spaces of the Property are subject to various tenancies with total monthly rent of HK\$3,097,768 exclusive of rates rent and management fee.</p>	<p>740,000,000</p> <p>50% value attributable to the WOP Group: \$370,000,000</p>

Notes:

1. The registered owner of the property is Wellion Limited, a company owned as to 50% by the WOP Group vide memorial no. 19061100640029 dated 16 May 2019.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subjected to a mortgage in favour of the Hongkong and Shanghai Banking Corporation Limited registered via memorial no. 19061100640033 dated 16 May 2019.
3. The property falls within an area zoned "Other Specified Uses" under Ma On Shan Outline Zoning Plan No. S/MOS/22.
4. The Property is situated at the southern side of Sai Sha Road, Ma On Shan and is standing opposite to the MTR (Wu Kai Sha) Station. The general locality is mainly residential area in which various private and public estates have been built.
5. The valuation as at 31 March 2020 for account purpose was HK\$740,000,000.

VALUATION CERTIFICATE

Property No. 10	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
<p>The Commercial Accommodation and 54 Car Parking Spaces of The Parkside, No. 18 Tong Chun Street, Tseung Kwan O, New Territories</p> <p>4,879/41,588th share of and in Tseung Kwan O Town Lot No. 119</p>	<p>The Property comprises the commercial accommodation on Level 1 and Ground Floor, a total of 49 car parking spaces and 5 motor cycle parking spaces on the basement. The Property was completed in 2015.</p> <p>According to the approved building plans, the total gross floor area of the commercial accommodation of the Property is approximately 4,122.9 sq.m. (44,378.9 square feet).</p> <p>The Property is held under New Grant No. 21353 for a term of 50 years commencing on 2 February 2012 at an annual Government rent charged at 3% of the rateable value of the Property.</p>	<p>Portion of the commercial accommodation with a total lettable floor area of 2,338.07 sq.m. (25,167 sq.ft.) and all the car parking spaces of the Property are subject to various individual tenancies for terms expiring on between 31 July 2020 and 30 June 2030 at a total monthly base rent of HK\$2,418,808 exclusive of rates, rent and management fee.</p> <p>The remaining portion of the commercial accommodation with a total gross floor area of 736.6 sq.m. (7,929 sq.ft.) is vacant.</p>	<p>862,000,000</p> <p>50% value attributable to the WOP Group: \$431,000,000</p>

Notes:

1. The registered owner of the property is Hermitage Investments Limited, a company owned as to 50% by the WOP Group vide memorial no. 19061100640029 dated 16 May 2019.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subjected to a mortgage in favour of the Hongkong and Shanghai Banking Corporation Limited registered via memorial no. 19061100640033 dated 16 May 2019.
3. The property falls within an area zoned "Residentail (Group A)" under Tseung Kwan O Outline Zoning Plan No. S/TKO/26.
4. The Property is situated at the western side of Tong Chun Street, Tseung Kwan O and is near to the MTR (Tseung Kwan O) Station. The general locality is mainly residential area in which various private housing estates have been built.
5. The valuation as at 31 March 2020 for account purpose was HK\$862,000,000.

VALUATION CERTIFICATE

Property No. 11	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Various Units of EW International Tower No. 120 Texaco Road Tsuen Wan New Territories (note 3) 3,001/13735th shares of and in Tsuen Wan Town Lot No. 124	The Property comprises 12 industrial units on various floor and 3 car parking spaces on the 1st floor. The Property was completed in 2015. The total gross floor area and saleable floor area of the Property is approximately 3,149.67 sq.ft. (33,903 sq.ft.) and 2,346.15 sq.ft. (25,254 sq.ft.). The Property is held under New Grant No. 21353 for a term of 50 years commencing on 2 February 2012 at an annual Government rent charged at 3% of the rateable value of the Property.	The property is subject to various tenancy the last expired on 31 January 2025 at a total monthly rent of \$192,200 exclusive of rates and management fees.	172,500,000 40% Value attributable to the WOP Group: \$69,000,000

Notes:

1. The registered owner of the property is Cannex Limited, a company owned as to 40% by the WOP Group vide memorial no. 19101702380130 dated 25 September 2019.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subjected to a mortgage in favour of the Hang Seng Bank Limited registered via memorial no. 19101702380149 dated 25 September 2019.
3. Various units include Workshop No. 1 on Ground Floor, Workshop No. 1 on 20th Floor, Workshop No. 4 on 22nd Floor, Workshop 1-4 on 25th Floor, Workshop 1-4 on 27th Floor, Workshop 1-4 on 28th Floor, Workshop 1-4 on 29th Floor, Container Truck Car Park No. C1 on G/F, Lorry Car Park No. L1 to L8 on G/F, Van Car Park No. V1-V2, V4, V6-V8 on 1/F.
4. The property falls within an area zoned "Industrial" under Tsuen Wan Outline Zoning Plan No. S/TW/33.
5. The Property is situated at the western side of Texaco Road in Tsuen Wan. The general locality is mainly industrial area in which various private housing estates have been built.
6. The valuation as at 31 March 2020 for account purpose was HK\$249,600,000.

Property interests held by the WOP Group under development

VALUATION CERTIFICATE

Property No. 12	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 HKD
76 residential units, G/F and 1/F commercial area on Ground and 1/F, 68 car parking spaces and 7 motor cycle parking spaces Nos. 13 and 15 Sze Shan Street, Yau Tong, Kowloon Section A of Yau Tong Inland Lot No. 41	<p>The property comprises a parcels of land with a total site area of approximately 41,080 sq.ft. (3,816.43 sq.m.) or thereabouts.</p> <p>Pursuant to the development schedule provided by the WOP, the property is planned to be developed into 2 blocks of 27 storey residential building with a total gross floor area of approximately 305,028.56 square feet (28,337.84 sq.m.). It is completed on 2020.</p> <p>The unsold residential units has total saleable floor area of 5,432 sq.m. (58,470 sq.ft.) and the commercial area has saleable area of 3,807.6 sq.m. (40,985 sq.ft.).</p> <p>The property is held under Conditions of Exchange No. 20307 for a term of 50 years commencing on 16 August 2017.</p>	The property was under construction and available for sale.	<p>1,770,000,000</p> <p>(50% value attributable to the WOP Group: \$885,000,000)</p>

Notes:

1. The registered owner of the property is Double Bright Limited, a company owned as to 50% by the WOP Group vide memorial no. 05031801360116 dated 1 March 2005.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to debenture and mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 17091102470219 dated 16 August 2017.
 - b. Occupation Permit No. KN14/2020 vide memorial no. 20052702280019 dated 19 May 2020.
3. The property falls within an area zoned "Residential (Group E)" under Cha Kwo Ling Yau tong & Lei Yue Mun OZP (S/K15/25).
4. According to the information provided by the WOP, as at the date of valuation, the total construction cost is approximately \$999,000,000 and the construction cost already expended on the property is \$811,000,000.
5. As at the valuation date, 248 residential units have been sold at a total sale proceeds of HK\$2,781,278,000 and 76 residential units have not been sold with total saleable area of approximately 58,470 sq.ft. (5,432 sq.m.).
6. The locality is a traditional industrial area and private housing estates have been built recently in the locality. Yau Tong MTR station are situated within walking distance.

VALUATION CERTIFICATE

Property No. 13	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
120 residential units, 177 car parking spaces and 6 motor cycle parking spaces Yiu Sha Road, Whitehead, Ma On Shan, Sha Tin, New Territories Sha Tin Town Lot No. 601	<p>The property comprises a parcel of land with a site area of approximately 70,504 square feet (6,550 square metres) or thereabouts.</p> <p>The property is planned to be developed into residential estate with a total saleable area of approximately 357,805.00 square feet. It is scheduled to be completed on 2020.</p> <p>The unsold residential units has total saleable floor area of 148,015 sq.ft. (13,750.93 sq.m.).</p> <p>The property is held under New Grant No. 22025 for a term of 50 years commencing from 9 January 2015.</p>	The property was under construction and available for sale.	<p>3,200,000,000</p> <p>40% value attributable to the WOP Group: \$1,280,000,000)</p>

Notes:

1. The registered owner of the property is Loyal Pioneer Limited, a company owned as to 40% by the WOP Group.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to a debenture and mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial no. 17120402360229 dated 28 November 2017.
3. The property falls within an area zoned "Comprehensive Development Area" under Ma On Shan OZP (S/MOS/22).
4. According to the information provided by the WOP, as at the date of valuation, the total construction cost is \$999,300,000 and the construction costs already expended on the property is \$811,300,000.
5. As at the valuation date, 427 residential units have been sold at a total sale proceeds of HK\$3,686,443,000.
6. Developments in the vicinity comprise mainly private residential buildings of various ages. This locality is an established medium density residential area with majority of the buildings built between 1990s and 2000s.

VALUATION CERTIFICATE

Property No. 14	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Nos. 86A, 86B, 86C and 86D Pok Fu Lam Road, Hong Kong	The property comprises a parcel of land with a site area of approximately 28,514 square feet (2,649 square metres) or thereabouts.	The property was under construction.	\$1,070,000,000
Inland Lot No. 8755	The property is planned to be developed into a 8 detached house with total gross floor area of 28,503 sq.ft. It is scheduled to be completed on 2021. The property is held under Government Lease commencing from 25 November 1991 to 7 May 2033.		70% value attributable to the WOP Group: \$749,000,000

Notes:

1. The registered owner of the property is Rich United Limited, a 70%-owned subsidiary of the Group.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to legal charge in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 18072302230037 dated 17 July 2018.
3. The property falls within an area zoned "Residential (Group B)" under Mid-Levels West OZP (S/H11/15).
4. According to the information provided by the WOP, as at the date of valuation, the completed value is approximately \$1,740,000,000, the total construction cost is approximately \$330,000,000 and the construction costs already expended on the property is approximately \$14,000,000.
5. Developments in the vicinity comprise mainly private residential buildings and houses of various ages. This locality is an established low density residential area with majority of the buildings built between 1960s to 1990s.
6. The valuation as at 31 March 2020 for account purpose was HK\$1,060,000,000 (whole site basis).

VALUATION CERTIFICATE

Property No. 15	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Junction of Liu To Road and Hang Mei Street Tsing Yi New Territories	The property comprises a parcel of land with a site area of approximately 14,376 square feet (1,335.6 square metres) or thereabouts.	The property was under construction.	968,000,000
Tsing Yi Town Lot No. 192	The property is planned to be developed into a composite building with a total gross floor area of approximately 89,881.00 square feet. It is scheduled to be completed on 2022. The property is held under New Grant No. 22619 for a term of 50 years commencing from 10 May 2018.		

Notes:

1. The registered owner of the property is Newex Limited, a wholly-owned subsidiary of the WOP Group.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to building mortgage and debenture in favour of Hang Seng Bank Limited registered vide memorial no. 19042902240185 dated 15 April 2019.
3. The property falls within an area zoned "Residential (Group A)" under Tsing Yi OZP (S/TY/30).
4. According to the information provided by the WOP, as at the date of valuation, the completed value is approximately HK\$1,600,000,000, the total construction cost is approximately HK\$365,000,000 and the construction costs already expended on the property is approximately HK\$53,000,000.
5. Developments in the vicinity comprise mainly private residential buildings and public housing of various ages. This locality is an established residential area with majority of the buildings built between 1980s and 1990s.
6. The valuation as at 31 March 2020 for account purpose was HK\$950,000,000.

VALUATION CERTIFICATE

Property No. 16	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Various Units Nos. 50, 52, 54, 56, 58, 60 & 62 Larch Street & Nos. 6 & 8 Lime Street Kowloon (note 1)	The property comprises a parcel of land with a site area of approximately 635.29 sq.m. or thereabouts. The property is planned to be developed into a 23 storey commercial/residential building. The property is held under Government Lease for a term of 75 years renewable for 75 years commencing from 28 August 1929.	Portion of the property was subject to several tenancies and licences with total monthly rent of HK\$163,350 and the last expire on 30 September 2020. Portion of the property was vacant.	The site value attributable to the WOP Group is \$637,000,000.

Notes:

1. A. Ground floor to 4th floor No. 50 Larch Street (Section D of Kowloon Inland Lot No. 4303)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to building mortgage and debenture in favour of the Hong Kong and Shanghai Banking Corporation Limited
- b. Superseding Notice No. "UMW/50F101/1701-337/1001" under s.30C(3) of the Building Ordinance

- B. Ground floor to 4th floor No. 52 Larch Street (The Remaining Portion of Kowloon Inland Lot No. 4303)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to mortgage and debenture in favour of the Hong Kong and Shanghai Banking Corporation Limited
- b. Superseding Notice No. "UMW/50F101/1701-337/1010" under s.30C(3) of the Building Ordinance
- c. Superseding Notice No. "UMW/50F101/1701-337/1002" under s.30C(3) of the Building Ordinance

- C. Ground floor (together with a Mezzanine) to 5th floor together with Front Portion of the Roof No. 54 Larch Street (The Remaining Portion of Section D of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited
 - b. Superseding Notice No. "UMB/MB121404-043/0001" under s.30B(3) of the Building Ordinance
 - c. Superseding Notice No. "UMB/MB121404-043/0001" under s.30C(3) of the Building Ordinance
- D. Ground floor, 1st to 6th floor and 8th floor No. 56 Larch Street (The Remaining Portion of Section A, B, C and the Remaining Portion of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to Mortgage and Rental Assignment in favour of the Hong Kong and Shanghai Banking Corporation Limited (1st to 6th Floor and 8th Floor No. 56 Larch Street)
 - b. Superseding Notice No. "UBCSN/14-20/0002/11" under s.24(1) of the Building Ordinance
 - c. Superseding Notice No. "UBCSN/14-20/0001/11" under s.24(1) of the Building Ordinance
 - d. Sealed Copy Notice of Application to Lands Tribunal for an Order for Sale vide memorial no. 18122000240020 dated 18 December 2018
- E. Ground floor, 1st to 5th floor, 7th and 8th floor No. 58 Larch Street (The Remaining Portion of Section A, B, C and the Remaining Portion of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to Mortgage and Rental Assignment in favour of the Hong Kong and Shanghai Banking Corporation Limited
- b. Superseding Notice No. "UBCSN/14-20/0001/11" under s.24(1) of the Building Ordinance
- c. Sealed Copy Notice of Application to Lands Tribunal for an Order for Sale vide memorial no. 18122000240020 dated 18 December 2018

- F. Ground floor to 8th floor No. 60 Larch Street (The Remaining Portion of Section A, B, C and the Remaining Portion of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to Mortgage and Rental Assignment in favour of the Hong Kong and Shanghai Banking Corporation Limited
 - b. Superseding Notice No. "UBCSN/14-20/0001/11" under s.24(1) of the Building Ordinance
 - c. Superseding Notice No. "CCSN/TF/001204/11/K" under s.24(1) of the Building Ordinance (7th floor only)
 - d. Sealed Copy Notice of Application to Lands Tribunal for an Order for Sale vide memorial no. 18122000240020 dated 18 December 2018
- G. Ground floor to 8th floor No. 62 Larch Street (The Remaining Portion of Section A, B, C and the Remaining Portion of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to Mortgage and Rental Assignment in favour of the Hong Kong and Shanghai Banking Corporation Limited (excluding Ground Floor)
 - b. Superseding Notice No. "UBCSN/14-20/0001/11" under s.24(1) of the Building Ordinance
 - c. Superseding Notice No. "CCSN/TF/001204/11/K" under s.24(1) of the Building Ordinance (7th floor only)
 - d. Sealed Copy Notice of Application to Lands Tribunal for an Order for Sale vide memorial no. 18122000240020 dated 18 December 2018
- H. 1st floor to 8th floor No. 6 Lime Street (The Remaining Portion of Section A, B, C and the Remaining Portion of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to Mortgage and Rental Assignment in favour of the Hong Kong and Shanghai Banking Corporation Limited
- b. Order No. "UBCSN/14-20/0001/11" under s.24(1) of the Building Ordinance
- c. Sealed Copy Notice of Application to Lands Tribunal for an Order for Sale vide memorial no. 18122000240020 dated 18 December 2018

- I. 1st floor to 8th floor No. 8 Lime Street (The Remaining Portion of Section A, B, C and the Remaining Portion of Kowloon Inland Lot No. 2241)

The registered owner of the property is Top Harmony Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to Mortgage and Rental Assignment in favour of the Hong Kong and Shanghai Banking Corporation Limited
- b. Order No. "UBCSN/14-20/0001/11" under s.24(1) of the Building Ordinance
- c. Superseding Order No. "CCSN/TF/001203/11/K" under s.24(1) of the Building Ordinance (1st Floor only)
- d. Sealed Copy Notice of Application to Lands Tribunal for an Order for Sale vide memorial no. 18122000240020 dated 18 December 2018

2. The Property is proposed development scheme as follows:

Site Area	:	635.290 sq.m.
Class of Site	:	Class B
Permitted Plot Ratio	:	For Domestic 7.5 For Non-Domestic 1.5
Permitted Gross Floor area for Non-Domestic	:	952,935 sq.m.
Permitted Gross Floor area for Domestic	:	4,764.675 sq.m.

3. The property falls within an area zoned "Residential (Group A)" under Mong Kok OZP (S/K3/32).
4. In assessing the site value attributable to the Property, we have apportioned the 100% site value in accordance with the proportion of the existing use value of the Property to the total existing use value of all the units of the subject buildings provided by the WOP Group. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the redevelopment site either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance (Cap. 545).
5. The site value of the site assuming bare site status on redevelopment is HK\$680,000,000.
6. The valuation as at 31 March 2020 for account purpose was HK\$635,000,000. (on redevelopment basis and certain assumption)

VALUATION CERTIFICATE

Property No. 17	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Various units Nos. 26, 26A, 28, 30, 32 & 32A, Nos. 34 & 36, No. 38, No. 40, No. 42, No. 44, No. 46, No. 48 Ming Fung Street Kowloon (<i>Note 1</i>)	The property comprises a parcel of land with a site area of approximately 894.579 sq.m. or thereabouts. The property is planned to be developed into a 25 storey commercial/residential building with. The property is held under Government Lease for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	Portion of the property was subject to several tenancies and licences with total monthly rent of HK\$331,500 inclusive of rates and managements and the last expire on 15 July 2021. Portion of the property was vacant.	The site value attributable to the WOP Group is \$670,000,000

Notes:

1. A. Shop A (No. 32 Ming Fung Street) on G/F, Flat A to C and F (including flat roof appertaining thereto) on 1st floor, Flat A to F on 2nd floor, Flat A to F on 3rd floor, Flat A to F on 4th floor, Flat A to F on 5th floor, Flat A to F on 6th floor and Flat A to F on 7th floor Kin Fung Mansion Fung Wong Village Nos. 26, 26A, 28, 30, 32 & 32A Ming Fung Street (New Kowloon Inland Lot no. 4556).

The registered owner of the property is Joint Hope Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to mortgage in favour of Hang Seng Bank Limited.
 - b. Sealed Copy Notice of Application to Lands Tribunal for an order for Sale vide memorial no. 19070202020310, 19102202520013 and 20060302140029 dated 28 June 2019.
- B. Flat A and B on Ground Floor, Flat B on 1st floor, Flat A and B on 2nd floor, Flat A and B on 3rd floor, Flat A and B on 4th floor and Flat A and B on 5th floor Fung Wong Mansion Nos. 34 & 36 Ming Fung Street (New Kowloon Inland Lot no. 4556).

The registered owner of the property is Joint Hope Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to mortgage in favour of Hang Seng Bank Limited.
- b. Sealed Copy Notice of Application to Lands Tribunal for an order for Sale vide memorial no. 19070202020310, 19102202520013 and 20060302140029 dated 28 June 2019.

- C. 2nd floor to 5th floor including the Roof No. 38 Ming Fung Street, 1st floor to 5th floor and its roof No. 40 Ming Fung Street, Ground Floor including the space if any underneath the staircase to 5th floor and its roof No. 42 Ming fung Street, 1st floor including the flat roof to 5th floor including the roof No. 44 Ming Fung Street, 1st floor including the flat roof to 5th floor & roof No. 46 Ming Fung Street, 1st floor to 5th floor and roof No. 48 Ming Fung Street Kowloon (New Kowloon Inland Lot No. 4470).

The registered owner of the property is Joint Hope Limited, a wholly-owned subsidiary of the WOP Group.

The following encumbrances were registered against the property as at valuation date:

- a. The property is subject to mortgage in favour of Hang Seng Bank Limited.
 - b. Superseding Notice No. "UMB/MB051203-042/0032" under s.30B(3) of the Building Ordinance.
 - c. Sealed Copy Notice of Application to Lands Tribunal for an order for Sale vide memorial no. 19070202020310, 19102202520013 and 20060302140029 dated 28 June 2019.
2. The Property is proposed development scheme as follows:

Site Area	:	894.579 sq.m.
Class of Site	:	Class A
Permitted Plot Ratio	:	For Domestic 7.5 For Non-Domestic 0.9375
Permitted Gross Floor area for Non-Domestic	:	838.679 sq.m.
Permitted Gross Floor area for Domestic	:	6,709.335 sq.m.

3. The property falls within an area zoned "Residential (Group A)" under Tsz Wan Shan Diamond Hill & San Po Kong OZP (S/K11/29).
4. In assessing the site value attributable to the Property, we have apportioned the 100% site value in accordance with the proportion of the existing use value of the Property to the total existing use value of all the units of the subject buildings provided by the WOP Group. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the redevelopment site either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance (Cap. 545).
5. The site value of the site assuming bare site status on redevelopment is HK\$860,000,000.
6. The valuation as at 31 March 2020 for account purpose was HK\$694,000,000. (on redevelopment basis and certain assumption)

Group III : Property interests held by the Group for Self Occupation purpose

VALUATION CERTIFICATE

Property No. 18	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 HKD
House C Greenland Villas, Nos. 8/12 Ma Yeung Path, Shatin, New Territories	The property is a 2-storey detached house of reinforced concrete construction completed in about 1985. The house has a saleable area of approximately 2,485 square feet.	The property was subject to a tenancy for a term of 3 years expiring on 31 March 2022 at a monthly rent of HK\$80,000 exclusive of rates and management fees.	67,000,000
31/245th shares of and in Sha Tin Town Lot No. 195	The property is held under New Grant No. 11475 for a term of 99 years commencing from 1 July 1898. In our valuation, we take into account that such leases are extended without premium until 30 June 2047 and that a rent of three percent of the rateable value of the property is charged from the date of extension.		

Notes:

1. The registered owner of the property is Wise Ocean International Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 11012700350069 dated 5 January 2011.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of CTBC Bank Co., Ltd. for the consideration of all moneys vide memorial no. 18041001700018 dated 29 March 2018.
3. The property falls within an area zoned "Residential (Group B)" under Sha Tin Outline Zoning Plan No. S/ST/34.
4. Developments in the vicinity comprise mainly private residential buildings and houses of various ages. This locality is an established low density residential area with majority of the buildings built between 1980s and 1990s.
5. The valuation as at 31 March 2020 for account purpose was HK\$67,000,000.

Group IV: Property interests held by the WOP Group for sale purpose

VALUATION CERTIFICATE

Property No. 19	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 HKD
Nos. 575 and 575A Nathan Road, Kowloon	The property is a 19 storey commercial building with total gross floor area of approximately 2,345.78 sq.m. (25,250 square feet).	Portion of the property was subject to several tenancies and licences with total monthly rent of HK\$163,350 inclusive of rates and managements and the last expire on 30 September 2020.	660,000,000
Kowloon Inland Lot Nos. 9425 and 9443	The property is held under Conditions of Re-grant Nos. 9020 and 9024 for a term of 150 years commencing on 25 December 1887.	Portion of the property was vacant.	

Notes:

1. The registered owner of the property is Vincent Investment Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 05031801360116 dated 1 March 2005.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial no. 13041902790078 dated 22 March 2013.
 - b. Assignment of Receivables in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial no. 20040801710137 dated 27 March 2020.
 - c. Occupation Permit No. KN6/2018 (OP) vide memorial no. 18030202250067 dated 13 February 2018.
3. The property falls within an area zoned "Commercial" under Yau Ma Tei OZP (S/K2/22).
4. The locality is an established commercial area. Developments in the vicinity comprise mainly composite building and commercial building and the property is located on the main road of Mong Kok with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$660,000,000.

VALUATION CERTIFICATE

Property No. 20	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
12 Residential Car Parking Space and 3 Motor Cycle Parking Space The Met. Acappella No. 7838 Tai Po Road Tai Wai, Sha Tin New Territories (note 4) Sha Tin Town Lot No. 587	The property comprises 12 car parking spaces and 3 motor cycle parking spaces situated in a development known as The Met. Acappella completed in 2018. The property is held under New Grant No. 22040 for a term of 50 years commencing from 3 February 2015.	The property was available for sale.	26,000,000

Notes:

1. The registered owner of the property is Ever World Limited, a wholly-owned subsidiary of the WOP Group.
2. The property falls within an area zoned "Residential (Group B)" under Sha Tin OZP (S/ST/34).
3. The following encumbrances were registered against the property as at valuation date:
 - a. Occupation Permit No. NT94/2018 (OP) vide memorial no. 19011802020337 dated 31 December 2018.
4. The unsold carpark are R6, R7, R8, R9, R10, R12, R15, R19, R26, R27, R28, R29, M1, M2 and M3.
5. The locality is an established residential area. Developments in the vicinity comprise mainly private and public residential estate of various ages.

VALUATION CERTIFICATE

Property No. 21	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
3 Residential Car Parking Space and 5 Residential Motor Cycle Parking Space The Met. Blossom, Ma On Shan, Sha Tin, New Territories (note 4) Sha Tin Town Lot No. 599	The property comprises 3 car parking space and 5 motorcycle space situated on the Basement Floor and of a development known as The Met. Blossom completed in 2018. The property is held under New Grant No. 21863 for a term of 50 years commencing from 25 July 2014.	The property was available for sale.	5,650,000 60% value attributable to the WOP Group: \$3,390,000

Notes:

1. The registered owner of the property is Grandwall Investment Limited, a 60%-owned subsidiary of the Group.
2. The property falls within an area zoned "Residential (Group B)" under Ma On Shan OZP (S/MOS/22).
3. The following encumbrances were registered against the property as at valuation date:
 - a. Occupation Permit No. NT81/2017 (OP) vide memorial no. 1801022240067 dated 21 December 2017.
4. The unsold carpark are R11, R15, R25, M1, M2, M3, M6 and M7.
5. Developments in the vicinity comprise mainly private residential buildings and public housing of various ages. This locality is an established residential area with majority of the buildings built between 1980s and 1990s.
6. The valuation as at 31 March 2020 for account purpose was HK\$5,650,000 (on certain units only).

VALUATION CERTIFICATE

Property No. 22	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
20 Residential Car Parking Space and 4 Residential Motor Cycle Parking Space The Met. Bliss Hang Kwong Street, Ma On Shan, Sha Tin, New Territories (note 4)	The property comprises 20 car parking space and 4 motorcycle space situated on the Basement Floor and of a development known as The Met. Bliss completed in 2018. The property is held under New Grant No. 21890 for a term of 50 years commencing from 11 September 2014.	The property was available for sale.	32,680,000 60% value attributable to the WOP Group: HK\$19,608,000
Sha Tin Town Lot No. 598			

Notes:

1. The registered owner of the property is New Rich Investments Limited, a 60%-owned subsidiary of the WOP Group.
2. The property falls within an area zoned "Residential (Group B)" under Ma On Shan OZP (S/MOS/22).
3. The following encumbrances were registered against the property as at valuation date:
 - a. Occupation Permit No. NT75/2017 (OP) vide memorial no. 17121802180019 dated 16 November 2017.
4. The unsold carparks are R3, R5, R8, R9, R10, R11, R12, R15, R16, R17, R20, R21, R22, R23, R25, R26, R27, R28, R29, R30, M1, M2, M3 and M5.
5. Developments in the vicinity comprise mainly private residential buildings and public housing of various ages. This locality is an established residential area with majority of the buildings built between 1990s and 2000s.

The following is the text of a letter, summary of valuation and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 May 2020 of the properties held by the WYT Group.



Asset Appraisal Limited
中誠達資產評估顧問有限公司

Rm 901 9/F On Hong Commercial Building
No.145 Hennessy Road Wanchai HK
香港灣仔軒尼詩道145號安康商業大廈9樓901室
Tel: (852) 2529 9448 Fax: (852) 3521 9591

24 July 2020

The Board of Directors
Wang On Group Limited

Suite 3202, 32/F
Skyline Tower
No. 39 Wang Kwong Road
Kowloon Bay
Kowloon

Dear Sirs,

Re: Valuation of Properties situated in Hong Kong

In accordance with the instructions from Wai Yuen Tong Medicine Holdings Limited (the “WYT”) to value the property interests (the “**Properties**”) held by the WYT or its subsidiaries (altogether referred to as the “**WYT Group**”), we confirm that we have carried out inspection of the Properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 May 2020 (the “**Valuation Date**”).

BASIS OF VALUATION

Our valuation of the Properties represents its market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

TITLESHIP

For property situated in Hong Kong, we have caused searches to be made at the appropriate Land Registry for the Properties. However, we have not verified ownerships of the Properties or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

For property situated in the PRC, we have been provided with copies of legal documents regarding title to the Properties. However, we have not verified ownership of the Properties and to ascertain any amendment which may not appear on the copies handed to us. We have also relied upon the legal opinion provided by the PRC legal advisers, namely (廣東卓盈律師事務所) (the “**PRC Legal Opinion**”), to the WYT on the relevant laws and regulations in the PRC.

VALUATION METHODOLOGY

In valuing the property interests in Group I property numbered 1–5, which are held by the WYT Group for investment purpose, both the comparison method and investment method are adopted. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values and investment method is by capitalizing the net rental incomes of the property derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies adopt in order to arrive at a fair value of the capital values.

In valuing the property interests in Group II property numbered 6–13, which are held by the WYT Group for self occupation purpose, the comparison method is adopted. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

For property numbered 12, By virtue of the Agreement of Lease (referred to the “**Lease**”) entered into between The Hong Kong Science and Technology Parks Corporation (the “**Lessor**”) and Wai Yuen Tong Company Limited, the Lessor agreed to lease the subject land parcel of the Property namely Extension to Subsection 1 of Section M of Yuen Long town Lot No. 313 and Extensions Thereto (the “**Lot**”) to the Lessee for a lease term expiring on 27th June 2047. The lease agreement shall be executed by both parties upon the fulfillment of all positive covenants stated in the Lease by the Lessor within the prescribed period. During the said lease term, the Property is restricted for the use of Traditional Chinese Medicine (TCM) cum Western Medicine Production Centre meeting the Good Manufacturing Practices (GMP) and Pharmaceutical Inspection Convention/Inspection Cooperation Scheme (PIC/S) standards using processes.

As stipulated in the Lease, in the event that the Lessee is desirous to assign the premises during the lease term, the Lessee should first offer to the Lessor for the surrender of the Lease free from encumbrances and with vacant possession of the premises at one of the following two considerations payable by the Lessor whichever is lower:

- (i) 80% of the discounted land premium (the notional premium paid by the Lessee on the commencement of the lease term) for the unexpired term of the Lease plus the depreciated replacement costs of the buildings and structures erected thereon at the rate of depreciation of 5% per annum from the date of the occupation permit for the first building; the total of which reduced by ten percent (the “**Surrender Value A**”);
or

- (ii) The market value of the land and the buildings and structures erected thereon as at the date of the Lessor's acceptance of the surrender reduced by ten percent (the "**Surrender Value B**").

In concluding the market value of the Property, we have taken into account the aforesaid surrender conditions as attached to the WYT's leasehold interests in the Property.

In assessing the Surrender Value A of the Property, we have taken into account the nature and scale of the buildings and structures of the Property and have made reference to the tender construction price as prevailing on the valuation date. Depreciated replacement cost of the Property is then arrived at by deducting the accumulated depreciation over the period from the date of the first occupation permit of the Property to the valuation date at a depreciation rate of 5% per annum.

In assessing the market value of the Property for the determination of its Surrender Value B, the direct comparison has been employed in the valuation of the property interest by assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in Hong Kong. This approach rest on the wide acceptance of market price as the best indicator of value and pre-supposes that evidence of recent transactions in the market place can be extrapolated to similar properties, subject to allowance for variable factors.

For property numbered 13, having considered the general and inherent characteristics of the buildings and structures, we have adopted the depreciated replacement cost (DRC) approach which is an application of the Cost Approach in valuing specialised properties like the properties under consideration. The use of this approach requires an estimate of the market value of the land use rights for its existing use, and an estimate of the new replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition, and functional obsolescence taken into account of the site formation costs and those public utilities connection charges to the Properties. The market value of the land use rights of the Properties has been determined from market-based evidences by analysing similar sales or offerings of comparable land parcels. The underlying theory of this basis is the Market Value of the appraised property should, at least, be equivalent to the replacement cost of the remaining service potential of the appraised property. In our opinion, the DRC generally furnishes the most reliable indication of value for property where it is not practicable to ascertain its value on market bases. The valuation of these properties is on the assumption that they are subject to the test of adequate potential profitability of the business having due regard to the values of the total assets employed and the nature of the operations.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Properties on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Properties.

As the Properties are held by the WYT Group by means of long term Land Use Rights granted by the PRC Government, we have assumed that the WYT Group has free and uninterrupted rights to use the Properties for the whole of the unexpired term of land use rights.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in holding them. It is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the WYT and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the site and floor areas in respect of the Properties but have assumed that the site areas and the floor areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Properties were last inspected on between 1 June to 15 July, by Sandra Lau and Tse Wai Leung. We have inspected the exterior and, where possible, the interior of the buildings and structures of the Properties. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from earthquakes or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by the WYT. We have also sought confirmation from the WYT that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the property interest, we have complied with all the requirements contained in Rule 11 of the Code on Takeovers and Mergers of the Securities and Futures Commission Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2017 Edition.

As advised by the WYT Group, disposal of properties situated in Hong Kong (particularly for those properties held for sale) will be subject to stamp duty and profit tax of 16.5% on net profit, save for deduction of any profit arising from capital gain in nature. For properties held for self occupation, the WYT Group has no intention to dispose of these properties at present, therefore the likelihood of such tax liability is remote.

We have been advised by the WYT Group that its potential tax liabilities in relation to the property situated in the PRC include Land Appreciation Tax (LAT) at progressive tax rates from 9% to 30% and Corporate Profit Tax at 25% on profit before tax. The exact amount of tax payable upon realization of the Properties in the PRC will be subject to the formal tax advice issued by the relevant tax authorities at the time of their disposal upon presentation of the relevant transaction documents. As confirmed by the WYT Group, the likelihood of the relevant tax liability (arising from the disposal of the Properties at consideration equal to the valuation amounts) being crystallized is remote as the WYT Group has no plan and is not mulling any plan for the disposal of the property.

All market values of the Properties are denominated in Renminbi (RMB).

Our summary of valuation and valuation certificate are attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited
Sandra S.W. Lau *MHKISAAP1 RPS(GP)*
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

SUMMARY OF VALUATION

Property	Market value in existing state as at 31 May 2020 HK\$	Interest attributable to the WYT Group as at 31 May 2020 %	Value of property interest attributable to the WYT Group as at 31 May 2020 HK\$
Group I: Property interests held by the WYT Group for investment purpose			
1. Ground Floor & Cockloft, Nos. 581 and 581A Nathan Road, Kowloon	243,600,000	100%	243,600,000
2. Shop B on Ground Floor, Kwong Sen Mansion, Nos. 23–33 Shui Wo Street, Kowloon	32,700,000	100%	32,700,000
3. Ground Floor, Bowring Building, Nos. 14 Bowring Street, Kowloon	30,100,000	100%	30,100,000
4. Shop B on G/F including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories	45,300,000	100%	45,300,000
5. Factory on 11th Floor, portion of roof and Car Parking Space No. 7 on G/F, Well Town Industrial Building, (Formerly Yau Tong Industrial Building), No. 13 Ko Fai Road, Kowloon	85,800,000	100%	85,800,000

Property	Market value in	Interest	Value of
	existing state as at 31 May 2020 HK\$	attributable to the WYT Group as at 31 May 2020 %	property interest attributable to the WYT Group as at 31 May 2020 HK\$
Group II: Property interests held by the WYT Group for self occupation			
6. Shop C on Ground Floor and Flat C on Mezzanine Floor, Lee Wah Building, Nos. 738–740A Nathan Road, Kowloon	60,500,000	100%	60,500,000
7. Shop A on Ground Floor, Onshine Commercial Building, No. 10 Tung Sing Road, Hong Kong	32,200,000	100%	32,200,000
8. Shop B on G/F & Portion of the Yard, Nos. 66, 68, 70 & 72 Tai Wai Road, Shatin, New Territories	60,400,000	100%	60,400,000
9. Ground Floor and Cockloft of Nos. 108 and 110 Lai Chi Kok Road, the External Wall including the Store Room, Wai Yuen Building, Nos. 108 and 110 Lai Chi Kok Road, Kowloon	43,100,000	100%	43,100,000
10. Ground Floor with the Cockloft, No. 60A Yen Chow Street, Kowloon	29,400,000	100%	29,400,000

Property	Market value in	Interest	Value of
	existing state	attributable to	property
	as at	the WYT Group	interest
	31 May 2020	as at	attributable to
	HK\$	31 May 2020	the WYT Group
		%	as at
			31 May 2020
			HK\$
11. Shop AB on Ground Floor, Po Wing Building, Nos. 61, 63, 65, 67, 71 & 73 Lee Garden Road, Nos. 108, 110, 112, 116, 118 & 120 Percival Street, Hong Kong	184,600,000	100%	184,600,000
12. No. 9 Wang Lee Street Yuen Long Industrial Estate Yuen Long New Territories	380,000,000	100%	380,000,000
13. Industrial factory, Dormitory 1# and Dormitory 2# of eastern side of Huabu Road and southern side of Qida Road, Shenzhen City, Guangdong Province, the PRC	104,000,000	100%	104,000,000
Grand Total:	<u>1,331,700,000</u>		<u>1,331,700,000</u>

VALUATION CERTIFICATE

Group I: Property interests held by the Group for investment purpose

Property No. 1	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Ground Floor & Cockloft, Nos. 581 and 581A Nathan Road, Kowloon	The property comprises a shop unit on ground floor with cockloft of a 6-storey composite building completed in about 1970.	The property was tenanted for a term of 3 years expiring on 20 August 2021 at a monthly rent of HK\$380,000 exclusive of rates and management fees.	243,600,000
10/20th shares of the Remaining Portion of Kowloon Inland Lot No. 9099	The saleable area of the property is approximately 163.97 sq.m. (1,765 sq.ft.) plus a cockloft of approximately 111.76 sq.m. (1,203 sq.ft.) and yard of approximately 27.03 sq.m. (291 sq.ft.).	The property is held under Conditions of Re-grant No. 8458 for a term of 150 years commencing on 25 December 1887.	

Notes:

1. The registered owner of the property is Asia Brighter Investment Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 06022300790118 dated 26 January 2006.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited for the consideration of securing all moneys in respect of general banking facilities vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned "Commercial" under Mong Kok Outline Zoning Plan No. S/K3/32.
4. The locality is an established commercial area. Developments in the vicinity comprise mainly composite building and commercial building and the property is located on the main road of Mong Kok with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$243,600,000.

VALUATION CERTIFICATE

Property No. 2	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Shop B on Ground Floor, Kwong Sen Mansion, Nos. 23–33 Shui Wo Street, Kowloon	The property comprises a shop unit on Ground Floor of a 8-storey composite building completed in about 1965. The saleable area of the property is approximately 41.99 sq.m. (452 sq.ft.).	The property was tenanted for a term of 3 years expiring on 24 July 2020 at a monthly rent of HK\$80,000 exclusive of rates and management fees.	32,700,000
1/60 share of the Kwun Tong Inland Lot Nos. 457 and 458	The property is held under Conditions of Sales Nos. 8098 and 8099 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Notes:

1. The registered owner of the property is Info World Investment Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 05071500540022 dated 28 June 2005.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited for the consideration of securing all moneys in respect of general banking facilities vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned “Residential (A)” under Kwun Tong Outline Zoning Plan No. S/H15/33.
4. The locality is an established residential/commercial area. Developments in the vicinity comprise mainly composite building and residential building and the property is located on the road of with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$32,700,000.

VALUATION CERTIFICATE

Property No. 3	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Ground Floor Bowring Building Nos. 14 Bowring Street Kowloon	The property comprises a shop unit on ground floor of a 9-storey composite building completed in about 1966.	The property was tenanted for a term of 3 years expiring on 31 July 2020 at a monthly rent of HK\$110,000 exclusive of rates and management fees and renewed for a term of 3 years expiring on 31 July 2023 with monthly rent of HK\$116,800 exclusive of rates and management fees.	30,100,000
1/40th shares of the remaining portion of Kowloon Inland Lot No. 7933	The saleable area of the property is approximately 36.04 sq.m. (388 sq.ft) plus a yard of approximately 3.44 sq.m. (37 sq.ft.). The property is held under Conditions of renewal no. 6524 of a term of 150 years commencing on 25 December 1887.		

Notes:

1. The registered owner of the property is Sino Fame Investments Limited, an indirect wholly-owned subsidiary of the WYT Group 13042900710229 dated 2 April 2013.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited for the consideration of securing all moneys in respect of general banking facilities vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned "Residential (Group A)" under Kwun Tong (South) District Outline Zoning Plan No. S/H4/17.
4. The locality is an established commercial/residential area. Developments in the vicinity comprise mainly composite building and commercial building. The property is located closed to the Joran MTR exit with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$30,100,000.

VALUATION CERTIFICATE

Property No. 4	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 HKD
Shop B on G/F including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories	The property comprises a shop unit on Ground Floor of a 6-storey tenement building completed in about 1967. The saleable area of the property is approximately 54.07 sq.m. (582 sq.ft.) plus a cockloft of approximately 32.89 sq.m. (354 sq.ft.).	The property was tenanted for a term of 3 years expiring on 31 May 2022 at a monthly rent of HK\$120,000 exclusive of rates and management fees.	45,300,000
2/21st shares of the Tsuen Wan Town Lot No. 54	The property is held under New Grant No. 4462 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Notes:

1. The registered owner of the property is Sunbo Investment Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 09071402150131 dated 6 July 2009.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to Notice No. WCBZ/S202667/01/NT-F02 by the Building Authority under S.24C(1) of the Building Ordinance vide memorial no. 08100201020105 dated 27 May 2008.
 - b. The property is subject to Order No. UBF/F02-291/0002/08 by the Building Authority under Section 24(1) of the Buildings Ordinance vide memorial no. 09111600850142 dated 29 September 2009.
 - c. The property is subject to Order No. DR00186/NT/14 by the Building Authority under S.28(3) of the Buildings Ordinance vide memorial no. 14082801010094 dated 12 August 2014.
 - d. The property is subject to Order No. D00071/NT/15 by the Building Authority under Section 26 of the Buildings Ordinance vide memorial no. 15052201130068 dated 6 May 2015 (Remarks: Re: For the approved canopy at 1/F).
 - e. The property is subject to mortgage in favour of The Bank of East Asia Limited for the consideration of securing all moneys in respect of general banking facilities vide memorial no. 16071402330418 dated 27 June 2016.
 - f. The property is subject to Order No. "UBSBTS3/SU/0120/16/NT" by the Building Authority under Section 26 of the Buildings Ordinance vide memorial no. 18061100470114 dated 29 September 2016.
 - g. (As advised by the WYT the cost to remove the order is approximately HK\$210,000.)
3. The property falls within an area zoned "Residential (A)" under Tsuen Wan Outline Zoning Plan No. S/TW/33.
4. The locality is an established residential area. Developments in the vicinity comprise mainly composite building, tenement building and residential estate and the property is located on the road with moderate pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$45,300,000.

VALUATION CERTIFICATE

Property No. 5	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Factory on 11th Floor, portion of roof and Car Parking Space No. 7 on G/F, Well Town	The property comprises a industrial unit on 11th Floor plus a top roof and a car parking space on G/F of a 12-storey industrial building completed in about 1976.	Portion of the property was tenanted to a tenancy agreement and a license with the last expiring on 14 April 2023 at a monthly rent of HK\$80,000 inclusive of rates and management fees and portion of the property was vacant.	85,800,000
Industrial Building, (Formerly Yau Tong Industrial Building), No. 13 Ko Fai Road Kowloon	The saleable area of the property is approximately 1,820.88 sq.m. (19,600 sq.ft.) plus a top roof of approximately 1,806.95 sq.m. (19,450 sq.ft.).		
24/480th shares of and in Yau Tong Inland Lot No. 7	The property is held under Conditions of Sale No. 9525 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value..		

Notes:

1. The registered owner of the property is Billion Good Investment Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. UB5543464 dated 18 December 1992.
2. The property falls within an area zoned "Commercial" under Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/25.
3. The locality is a traditional industrial area and private housing estates have been built in the locality. Yau Tong MTR are situated within walking distance.
4. The valuation as at 31 March 2020 for account purpose was HK\$85,800,000.

VALUATION CERTIFICATE

Group II: Property interests held by the Group for self occupation

Property No. 6	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Shop C on Ground Floor and Flat C on Mezzanine Floor, Lee Wah Building, Nos. 738-740A Nathan Road, Kowloon	The property comprises a shop unit on ground floor of a 14-storey composite building completed in about 1963.	The property was tenanted for a term of 3 years expiring on 27 January 2023 at a monthly rent of HK\$133,000 exclusive of rates and management fees.	60,500,000
2/54th shares of the Remaining Portion of Kowloon Inland Lot No. 2150 and the Remaining Portion of Section B of Kowloon Inland Lot No. 2157	The saleable area of the property is approximately 69.40 sq.m. (747 sq.ft.) plus Mezzanine Floor approximately 40.04 sq.m. (431 sq.ft.) and yard 7.15 sq.m. (77 sq.ft.).	The property is held under Government Lease for a term of 75 years renewable for further 75 years commencing on 15 October 1928 (Re: KIL 2150 RP) and 3 December 1928 (Re: KIL 2517sB RP).	

Notes:

1. The registered owner of the property is Grand Quality Development Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 08021800680026 dated 28 January 2008.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited for the consideration of securing all moneys in respect of general banking facilities vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned "Commercial" under Mong Kok Outline Zoning Plan No. S/K3/32.
4. The locality is an established commercial area. Developments in the vicinity comprise mainly composite building and commercial building and the property is located on the main road of Mong Kok with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$60,500,000.

VALUATION CERTIFICATE

Property No. 7	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Shop A on Ground Floor, Onshine Commercial Building, No. 10 Tung Sing Road, Hong Kong	The property comprises a shop unit on ground floor of a 23-storey commercial building completed in about 1991.	The property was tenanted for a term of 3 years expiring on 31 March 2022 at a monthly rent of HK\$92,000 exclusive of rates and management fees.	32,200,000
28/914th shares of the Remaining Portion of Section D and the Remaining Portion of Aberdeen Inland Lot No. 86	The property is held under Government Lease for a term of 75 years renewable for 75 years commencing on 29 July 1918.		

Notes:

1. The registered owner of the property is Star Sense Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 09071402150100 dated 2 July 2009.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited for the consideration of securing all moneys in respect of general banking facilities vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned "Residential (A)" under Aberdeen & Ap Lei Chau Outline Zoning Plan No. S/H15/33.
4. The locality is an established residential area. Developments in the vicinity comprise mainly composite building, residential and commercial building and the property is located on the road with moderate pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$32,200,000.

VALUATION CERTIFICATE

Property No. 8	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Shop B on G/F & Portion of the Yard, Nos. 66, 68, 70 & 72 Tai Wai Road, Shatin, New Territories 2/21th shares of and in Lot No. 951 in D.D. 180	The property comprises a shop unit on ground floor of a 5-storey tenement building completed in about 1974. The saleable area of the property is approximately 60.85 sq.m. (655 sq.ft.) plus a yard amended saleable area approximately 1.95 sq.m. (21 sq.ft.). The property is held under New Grant No. ST10665 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	The property was tenanted for a term of 3 years expiring on 22 February 2022 at a monthly rent of HK\$186,500 exclusive of rates and management fees.	60,400,000

Notes:

1. The registered owner of the property is Full Gainer Investment Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 09111701180061 dated 22 October 2009.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited registered vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned "Residential (Group A)" under Sha Tin Outline Zoning Plan No. S/ST/34.
4. The locality is an established residential area. Developments in the vicinity comprise mainly tenement and residential estate. The property is located on the main road of Tai Wai with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$60,400,000.

VALUATION CERTIFICATE

Property No. 9	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Ground Floor and Cockloft of Nos. 108 and 110 Lai Chi Kok Road, the External Wall including the Store Room, Wai Yuen Building, Nos. 108 and 110 Lai Chi Kok Road, Kowloon	The property comprises a shop unit on ground floor with cockloft and storeroom of an 11-storey composite building completed in about 1967. The saleable area of the property is approximately 130.71 sq.m. (1,407 sq.ft) plus a yard of approximately 8.45 sq.m. (91 sq.ft.), a cockloft of approximately 65.68 sq.m. (707 sq.ft) and a storeroom of approximately 8027 sq.m. (89 sq.ft.)	The property was tenanted for a term of 3 years expiring on 14 December 2022 at a monthly rent of HK\$75,833 exclusive of rates and management fees.	43,100,000
5/5 of 20/121st shares of and in Kowloon Inland Lot No. 10607	The property is held under Conditions of Regrant No. 11422 for a term of 150 years commencing on 5 December 1905.		

Notes:

1. The registered owner of the property is Topmate Investment Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 11090902110071 dated 15 August 2011.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited to secure all moneys in respect of general banking facilities granted vide memorial no. 16071402330418 dated 27 June 2016.
3. The property falls within an area zoned "Residential (Group A)" under Mong Kok Outline Zoning Plan No. S/K3/32.
4. The locality is an established commercial area. Developments in the vicinity comprise mainly composite building and residential building and the property is located on the road with moderate pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$43,100,000.

VALUATION CERTIFICATE

Property No. 10	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Ground Floor with the Cockloft, No. 60A Yen Chow Street, Kowloon	The property comprises a shop unit on ground floor and a cockloft of a 6-storey tenement building completed in about 1957.	The property was tenanted for a term of 3 years expiring on 3 October 2021 at a monthly rent of HK\$92,000 exclusive of rates and management fees.	29,400,000
1/6th shares of and in Section C of New Kowloon Inland Lot No. 1056	The saleable area of the property is approximately 55.37 sq.m. (596 sq.ft.) plus a cockloft of approximately 19.23 sq.m. (207 sq.ft.) and a yard of approximately 17.28 sq.m. (186 sq.ft.). The property is held under Government Lease for a term of 75 years renewable for 24 years. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Notes:

1. The registered owner of the property is Good Excellent Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 09121101880053 dated 30 November 2009.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of The Bank of East Asia Limited for consideration securing all moneys in respect of general banking facilities (PT.) vide memorial no. 16071402330418 dated 27 June 2016.
 - b. Notice No. "UMB/BAMB01/1801-188/0002" under section 30B(3) of the Building Ordinance vide memorial no. 19120501540052 dated 17 October 2019.
 - c. Notice No. "UMB/BAMB01/1801-188/0002" under section 30C(3) of the Building Ordinance vide memorial no. 19120501540063 dated 17 October 2019. (The reinstatement cost is approximately HK\$100,000).
3. The property falls within an area zoned "Residential (Group A)" under Cheung Sha Wan Outline Zoning Plan No. S/K5/37.
4. The locality is an established residential area. Developments in the vicinity comprise mainly composite building and tenement building and the property is located on the road with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$29,400,000.

VALUATION CERTIFICATE

Property No. 11	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Shop AB on Ground Floor, Po Wing Building, Nos. 61, 63, 65, 67, 71 & 73 Lee Garden Road, Nos. 108, 110, 112, 116, 118 & 120 Percival Street, Hong Kong 1187/1643 of 2/197th shares of and in the Section Z of Inland Lot No.29	The property comprises a shop unit on Ground Floor of a 14-storey tenement building completed in about 1967. The total saleable area of the property is approximately 111.85 sq.m. (1,204 sq.ft.) The property is held under Government Lease for a term of 982 years commencing on 25 June 1860.	The property was tenanted for a term of 3 years expiring on 24 April 2021 at a monthly rent of HK\$500,000 exclusive of rates and management fees.	184,600,000

Notes:

1. The registered owner of the property is Oriental Sino Investments Limited, an indirect wholly-owned subsidiary of the WYT Group vide memorial no. 15030602650144 dated 16 February 2015.
2. The following encumbrances were registered against the property as at valuation date:
 - a. The property is subject to mortgage in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial no. 19012501890021 dated 8 January 2019.
 - b. The property is subject to rent assignment in favour of Industrial and Commercial Bank of China (Asia) Limited vide memorial no. 19012501890032 dated 8 January 2019.
3. The property falls within an area zoned "Commercial" under Cheung Causeway Bay Outline Zoning Plan No. S/H6/17.
4. The locality is an established commercial area. Developments in the vicinity comprise mainly composite building and commercial building and the property is located on the main road of Causeway Bay with heavy pedestrian flow.
5. The valuation as at 31 March 2020 for account purpose was HK\$184,600,000.

VALUATION CERTIFICATE

Property No. 12	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
No. 9 Wang Lee Street Yuen Long Industrial Estate Yuen Long New Territories Extension to Subsection 1 of Section M of Yuen Long Town Lot No. 313 and Extensions Thereto	The Property comprises a parcel of land with an area of 8,545.56 square metres (sq.m.) falling within the Yuen Long Industrial Estate. It has been developed with a 5-storey workshop/warehouse building (with ancillary offices) completed in 2015. The total gross floor area (GFA) of the Property is 21,274.662 sq.m. Floor heights and superimposed loading of each floor level are set out as follows:	The Property was being occupied by the owners.	380,000,000
	GFA (<i>sq.m.</i>)		
	G/F	4,397.320	
	1/F	4,114.364	
	2/F	4,098.603	
	3/F	4,091.432	
	4/F	4,111.710	
	Roof	461.233	
	Yuen Long Industrial Estate is an industrial estate in Yuen Long district. It is at the north of Yuen Long town and opposite to Nam Sang Wai.		
	The Property is held by Hong Kong Science and Technology Parks Corporation from the Government expiring on 27 June 2047 at an annual Government rent charged at 3% of the rateable value of the Property.		

Notes:

1. The registered owner of the property is Property is Hong Kong Science and Technology Parks Corporation (formerly known as The Hong Kong Industrial Estates Corporation, the “**Lessor**”) via New Grant No. 3102 of Yuen Long Town Lot No. 313.
2. The following encumbrances were registered against the property as at valuation date:
 - a. Lease vide memorial no. 20030301880020 dated 10 February 2020 between Wai Yuen Tong Company Limited, an indirect wholly-owned subsidiary of the WYT Group from 22 February 2013 to 27 June 2047.
3. The property falls within an area zoned “Other Specified Uses (Industrial Estate)” under Yuen Long Outline Zoning Plan No. S/YL/23.
4. As stipulated in the Lease, in the event that the Lessee is desirous to assign the premises during the lease term, the Lessee should first offer to the Lessor for the surrender of the Lease free from encumbrances and with vacant possession of the premises at one of the following two considerations payable by the Lessor whichever is lower:
 - (i) 80% of the discounted land premium (the notional premium paid by the Lessee on the commencement of the lease term) for the unexpired term of the Lease plus the depreciated replacement costs of the buildings and structures erected thereon at the rate of depreciation of 5% per annum from the date of the occupation permit for the first building; the total of which reduced by ten percent (the “**Surrender Value A**”); or
 - (ii) The market value of the land and the buildings and structures erected thereon as at the date of the Lessor’s acceptance of the surrender reduced by ten percent (the “**Surrender Value B**”).

Our opinion of market value of the Property represents the lower amount of the Surrender Value A and Surrender Value B.
5. The valuation as at 31 March 2020 for account purpose was HK\$389,000,000.

VALUATION CERTIFICATE

Property No. 13	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
Industrial factory, Dormitory 1# and Dormitory 2# of eastern side of Huabu Road and southern side of Qida Road, Shenzhen City, Guangdong Province, the PRC Lot no. G12204-0252 中國深圳市華布路 以東、啟達路以南 工業廠房，1#宿舍 及2#宿舍	The Properties occupy a total of a parcel of land with a total area of 11,026.83 square metres. The Properties are located in Pingshan district on the norther eastern side of Shenzhen. Immediate locality of the Properties is generally industrial in nature and is gradually, through various relocation and redevelopment of industrial developments, transformed into a commercial and residential area. The subject land parcel is accommodating a 6-storey industrial building and two 6-storey dormitories completed in 2004 with floor area as follows:	The property is owner occupied.	104,000,000
Gross Floor Area			
	Industrial building:	12,817.85 sq.m.	
	Dormitory 1#:	1,533.12 sq.m.	
	Dormitory 2#:	5,124.04 sq.m.	
	The land use rights of the subject land have been granted for a term of years expiring on 19 September 2050 for industrial use.		

Notes:

1. As revealed by 3 set of Real Estate Ownership Certificate (不動產權證書, Ref No. 粵(2017)深圳市不動產權第0033102, 0033103 and 0033105號) dated 15 March 2017, the land use rights with an area of 11,026.83 square metres with a gross floor area of 12,817.85 square metres, 1,533.12 square metres and 5,124.04 square metres. They are held by Guan Zun (Shen Zhen) Business Development Company Limited (冠尊(深圳)商貿發展有限公司 (an indirect wholly-owned subsidiary of the WYT Group), 91440300341534561M) for a term expiring on 19 September 2050 for industrial use.
2. PRC Legal Opinion dated 24 July 2020 of the PRC Legal Adviser on the Properties is summarized as follows:
 - i. Guan Zun (Shen Zhen) Business Development Company Limited has legally acquired the land use rights and the building ownership rights in the Properties.
 - ii. The land use rights are in the nature of granted land with a land use right term expiring on 19 September 2050 for industrial uses.

- iii. The Properties have not been pledged for mortgage or any encumbrances.
 - iv. Guan Zun (Shen Zhen) Business Development Company Limited has legal, valid and complete land use rights and building ownership rights in the Property and is allowed to possess, use, transfer, lease and mortgage the Property throughout its unexpired land use right term.
3. The valuation as at 31 March 2020 for account purpose was RMB95,500,000.

The following is the text of a letter and valuation certificates, prepared for the purpose of incorporation in the circular received from RHL Appraisal Limited., an independent valuer, in connection with its valuation as at 31 May 2020 of the properties held by the CAP Group.



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Room 1010, 10/F, Star House,
Tsimshatsui, Hong Kong

24 July 2020

The Board of Directors
Wang On Group Limited
Suite 3202, 32/F,
Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon,
Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the properties interests (the “**Unsold Properties**”) held by China Agri-Products Exchange Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in the People’s Republic of China (the “**PRC**”). We confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the such property interest as at 31 May 2020 (the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (the “**Market Value**”) which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The Market Value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

For properties held for sale and Property No. 9, we have valued the properties by using direct comparison method, which is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

For properties held for investment, we have valued the properties on the basis of capitalization of the net income shown on the documents handed to us. We have also allowed for outgoings and, in appropriate case, made provisions for reversionary income potential.

For properties under development, we have valued the market value of the land and the incurred cost of construction and also make reference to selling prices upon completion and have also allowed the outstanding construction costs and other allowance to arrive the market value.

VALUATION CONSIDERATIONS

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standard 2020 Edition.

VALUATION ASSUMPTION

In our valuation, unless otherwise stated, we have assumed that:

- a. all necessary statutory approvals for the Properties or the subject building of which the Properties forms part of their use have been obtained;
- b. transferable land use rights in respect of the Properties for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- c. the owners of the Properties have enforceable titles to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the respective unexpired terms as granted;
- d. no deleterious or hazardous materials or techniques have been used in the construction of the Properties;
- e. the Properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown; and
- f. the Properties are connected to main services and sewers which are available on normal term.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing titles to the property interest or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Group's PRC legal advisers dated July 2020, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), concerning the validity of the titles to the property interests.

LIMITING CONDITIONS

We have conducted on-site inspections to the Properties in November 2019 by our Mr. Chan Chi Ho (Bachelor in General Surveying) and Ms. Liu Jing (Master in Geographic Information System). During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Properties are free from rot infestation or any other defects. No tests were carried out on any of the services. Moreover, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc., for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

We have relied to a considerable extent on information provided by the Group and accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

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

The reported Market Value only applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

DECLARATION

It is declared that we are the “External Valuer” for the subject property valuation assignment.

According to the HKIS Valuation Standards 2017, “an ‘External Valuer’ is a valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment.”

REMARKS

For properties located at the PRC, we have been advised by the Group that the potential tax liabilities include land Appreciation Tax at progressive tax rates from 30% to 60% and Income Tax at 25% on profit before tax. The exact amount of tax payable upon realisation of the relevant properties in the PRC will be subject to the formal tax advice issued by the relevant tax authorities at the time of disposal of relevant properties upon presentation of the relevant transaction documents. There are potential tax liability which might arise on the disposal of the Properties.

The market that the property/asset is transacted and/or valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty. This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

We have valued the property in Renmibi (RMB).

We enclose herewith the summary of values and the property particulars and opinion of value.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Serena S. W. Lau

FKHIS, AAPI, MRICS, RPS(GP), MBA(HKU)
Managing Director

Jessie X. Chen

MRICS, MSc (Real Estate), BEcon
Associate Director

Ms. Serena S. W. Lau is a Registered Professional Surveyor (GP) with over 20 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms. Lau is a Professional Member of The Royal Institution of Chartered Surveyors, an Associate of Australian Property Institute, a Fellow of The Hong Kong Institute of Surveyors as well as a registered real estate appraiser in the PRC.

Ms. Jessie X. Chen is a Registered Professional Surveyor (GP) with over 10 years' experience in valuation of properties in HKSAR, Macau SAR, United Kingdom, Canada, mainland China and the Asia Pacific Region. Ms. Chen is a Professional Member of The Royal Institution of Chartered Surveyors.

SUMMARY OF VALUES

	Market value as at 31 May 2020 RMB	Interest attributed to the Group	Market value attributable to the Group as at 31 May 2020 RMB
1. Xuzhou Agri-Products Centre Wholesale Market, east of Yingbin Avenue, Quanshan District, Xuzhou City, Jiangsu Province, the PRC (中華人民共和國江蘇省徐州市泉山區 迎賓大道東側徐州農副產品中心批發市場)	368,000,000	51%	187,680,000
2. Phase I of Guangxi Yulin Hong-Jin Agri-Products Market, south of 2nd Ring North Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中華人民共和國廣西壯族自治區 玉州區二環北路南側玉林宏進 農副產品批發市場一期)	428,000,000	65%	278,200,000
3. Phase II of Guangxi Yulin Hong-Jin Agri-Products Market, south of 2nd Ring North Road and north west of Longbiao River, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中華人民共和國廣西壯族自治區 玉州區二環北路南側龍表河西北側 玉林宏進農副產品批發市場二期)	162,000,000	100%	162,000,000

	Market value as at 31 May 2020 <i>RMB</i>	Interest attributed to the Group	Market value attributable to the Group as at 31 May 2020 <i>RMB</i>
<p>4. Wuhan Agri-Products Market, Special Nos. 1 Qingling Street, Qingling Country, Hongshan District, Wuhan City, Hubei Province, the PRC</p> <p>(中華人民共和國湖北省武漢市洪山區 青菱鄉青菱街特一號武漢白沙洲 農副產品大市場)</p>	1,428,000,000	100%	1,428,000,000
<p>5. Henan Luoyang Hong-Jin Agri-Products International Logistics Centre, west of Luoji Expressway, Old town district, Luoyang City, Henan Province, the PRC</p> <p>(中華人民共和國河南省洛陽市老城區 洛吉快速通道西側洛陽宏進農副產品 國際物流中心)</p>	874,000,000	100%	874,000,000
<p>6. Henan Kaifeng Hong-Jin Agri-Products International Logistics Centre, south of Kaiqi Highway and east of Xilin Public Cemetery, Kaifeng City, Henan Province, the PRC</p> <p>(中華人民共和國河南省開封市 開杞公路北側及西林公墓東側 河南宏進農副產品國際物流中心)</p>	263,000,000	100%	263,000,000

	Market value as at 31 May 2020 <i>RMB</i>	Interest attributed to the Group	Market value attributable to the Group as at 31 May 2020 <i>RMB</i>
7. Panjin Hong-Jin Agri-Products International Trade City, Xihu Village, Hujia Town, Panshan County, Panjin City, Liaoning Province, the PRC (中華人民共和國遼寧省盤錦市盤山縣 胡家鎮西胡村盤錦宏進農副產品 國際商貿城)	125,000,000	100%	125,000,000
8. Henan Puyang Hong-Jin Agri-Products International Logistics Centre, Area No. 033, No. 112 Street, Puyang City, Henan Province, the PRC (中華人民共和國河南省濮陽市112街道 033街坊濮陽宏進農副產品國際物流中心)	129,000,000	75%	96,750,000
9. Huai'an Hong-Jin Agri-Products International Logistics Centre, north of Bei Huan Lu and east of Hai Nan Lu, Qing Pu District, Huai'an City, Jiangsu Province, the PRC (中華人民共和國江蘇省淮安市清浦區 北環路南側及海南路東側淮安宏進 農副產品國際物流中心)	146,000,000	100%	146,000,000

	Market value as at 31 May 2020 <i>RMB</i>	Interest attributed to the Group	Market value attributable to the Group as at 31 May 2020 <i>RMB</i>
10. China-ASEAN (Qinzhou) Agri-Products Market, north of Jinhaiwan West Avenue (Entrance of North and South Highway), Qinzhou City, Guangxi Zhuang Autonomous Region, the PRC	485,000,000	100%	485,000,000
(中華人民共和國廣西壯族自治區欽州市 金海灣西大街北側（南北高速出入口） 中國－東盟（欽州）農產品大市場）			
Total:	<u>4,408,000,000</u>		<u>4,045,630,000</u>

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 <i>RMB</i>
<p>1. Xuzhou Agri-Products Centre Wholesale Market, east of Yingbin Avenue, Quanshan District, Xuzhou City, Jiangsu Province, the PRC</p> <p>(中華人民共和國江蘇省 徐州市泉山區迎賓大道東側 徐州農副產品中心批發市場)</p>	<p>The property comprises a wholesale market mainly consisting of various one-storey to three-storey buildings and structures erected on a parcel of land with a site area of approximately 193,673.91 sq.m (2,084,689 sq.ft.).</p> <p>The property has various structures canopies, warehouse and office with a total construction area of approximately 107,633.35 sq.m. (1,158,556 sq.ft.) completed in about 2011 for respective uses.</p> <p>The land use rights of the property have been granted for a term expiring on 27 November 2057 for warehouse and logistics uses.</p>	<p>As at valuation date, the property is mainly operated by the owner as an agricultural products and by-products wholesale market.</p> <p>Portion of the property with a total gross floor area of approximately 103,373.17 sq.m. is subject to various tenancy agreements (the “Tenancy Agreement”) with a total annual rental income of approximately RMB38,421,018 while the remaining portion is currently vacant or owner-occupied.</p>	<p>368,000,000 (RENMINBI THREE HUNDRED AND SIXTY EIGHT MILLION ONLY)</p> <p>51% interest attributed to the Group: RMB187,680,000</p>

Notes:

1. Pursuant to a State Land Use Rights Contract – Xu Tu Guo Rang (He) Zi (2007) No. 104 (徐土國讓(合)字(2007)104號), the land use rights of the property with a total site area of approximately 193,673.50 sq.m. have been granted to Xuzhou Yuanyang Trading Development Company Limited (徐州源洋商貿發展有限公司) (“**Xuzhou Yuanyang**”), a 51% owned subsidiary of the Company with details as follows:

Restricted items	Parameters
Plot Ratio	No more than 1.2
Site Coverage	No more than 50%
Building Height Restriction	Should fulfil the airport clearance height restriction
Ratio of Green Space	No less than 20%
Maximum Gross Floor Area	232,408.20 sq.m.

Pursuant to the State-owned Land Use Rights Certificate Xu Tu Guo Yong (2008) Di No. 12888 dated 26 May 2008 issued by the State Land Resources Bureau, the land use rights of the property with a site area of approximately 193,673.91 sq.m. have been granted to Xuzhou Yuanyang for a term of 50 years for warehouse and logistic uses.

2. Pursuant to a Building Ownership Certificate – Xu Fang Quan Zheng Yun Long Zi Di No. 56520, the building ownership of portion of the property with a gross floor area of approximately 6,746.94 sq.m. has been vested in Xuzhou Yuanyang.
3. Pursuant to an official announcement – Xu Fa Gai Wai Jing 2008 No. 26 (徐發改外經200826號) issued by Development and Reform Commission of Xuzhou City (徐州市發展和改革委員會), development proposal of the property has been approved by the local government. Xuzhou Yuanyang is permitted to construct the property with a total gross floor area of approximately 91,000.00 sq.m. erected on a parcel of land with a site area of approximately 193,673.91 sq.m. The approved construction period is 2 years commencing at January 2008 and ending at January 2010.
4. As advised, the property is held by the Company for investment purpose.
5. The property with a total gross floor area of approximately 6,746.94 sq.m. is subject to a mortgage. However, we have not taken into account such mortgage in our valuation.
6. We have been provided with a legal opinion by the Group’s PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
- i. the property is legally held by Xuzhou Yuanyang;
 - ii. all land grant premium of the property has been fully settled;
 - iii. Xuzhou Yuanyang is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Xuzhou Yuanyang is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Xuzhou Yuanyang is entitled to occupy or lease the land portion with the temporary structures and canopies erected thereon freely in the market; and
 - iv. except for the mortgage as mentioned in Note 5, the property is free from any mortgage or third parties’ encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 <i>RMB</i>
<p>2. Phase I of Guangxi Yulin Hong-Jin Agri-Products Market, south of 2nd Ring North Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC</p> <p>(中華人民共和國廣西壯族自治區玉州區二環北路南側玉林宏進農副產品批發市場一期)</p>	<p>The property comprises unsold portion of a wholesale market mainly consisting of various one-storey to three-storey buildings and structures erected on 5 parcels of contiguous land with a total site area of approximately 273,884.07 sq.m (2,948,063 sq.ft.).</p> <p>The property comprises various completed buildings and canopies with a total gross floor area of approximately 39,988.64 sq.m. (430,434 sq.ft.) completed in about 2013 for retail, wholesale, storage, office and facility uses. The property also comprises various construction-in-progress with a total planned gross floor area of approximately 50,289.24 sq.m. (541,309 sq.ft.) that expected to be completed by December 2020.</p> <p>The land use rights of the property have been granted for a term expiring on 18 July 2047 for commercial services uses.</p>	<p>As at valuation date, portions of the property is mainly operated by the owner as an agricultural products and by-products wholesale market while the remaining is under construction and pending for future development.</p>	<p>428,000,000 (RENMINBI FOUR HUNDRED AND TWENTY EIGHT MILLION ONLY)</p> <p>65% interest attributed to the Group: RMB278,200,000</p>

Notes:

1. Pursuant to a State Land Use Rights Contract – Yu Guo Rang Zi (2007) Di No. 7 (玉國讓字(2007)第7號, the land use rights of the property with a total site area of approximately 273,884.06 sq.m. have been granted to Yulin Hong-Jin Agriculture By-products Wholesale Market Company Limited (玉林宏進農副產品批發市場有限公司) (“**Yulin Hong-Jin**”), a 65% owned subsidiary of the Company with details as follows:

Restricted items	Parameters
Plot Ratio	No more than 1.5
Site Coverage	No more than 45%
Building Height Restriction	No higher than 6 Floors (24 m)
Ratio of Green Space	No less than 4.5%
Maximum Gross Floor Area	410,826.09 sq.m.

2. Pursuant to 5 State-owned Land Use Rights Certificates – Yu Guo Yong (2007) Di No. A807, A808, A809, A913 and A914 all issued by the People’s Government of Yulin in 2007, the land use rights of 5 parcels of land with a total site area of 273,884.07 sq.m. have been granted to Yulin Hong-Jin, a 65% owned subsidiary of the Company for a land use term expiring on 18 July 2047 for commercial services uses.
3. Pursuant to various Building Ownership Certificates, the building ownerships of portions of the property with a total gross floor area of approximately 21,512.23 sq.m. has been vested in Yulin Hong-Jin.
4. According to various cooperation agreements, the construction-in-progress with a total gross floor area of approximately 50,289.24 sq.m. is expected to be completed by December 2020. Upon completion, contracted selling price of such properties is RMB296,474,000.

As advised by the company, total development costs of such properties are about RMB139,643,186 and the incurred development costs as at the Valuation Date are about RMB65,000,000.

In the course of our valuation, we have taken into account such contracted selling price and developments costs.

5. As advised, the property is held by the Company for sale and development.
6. We have been provided with a legal opinion by the Group’s PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
- i. the property is legally held by Yulin Hong-Jin;
 - ii. all land grant premium of the property has been fully settled;
 - iii. Yulin Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Yulin Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Yulin Hong-Jin is entitled to occupy or lease the land portion with temporary structures and canopies erected thereon freely in the market;
 - iv. At least 500 shops must be leased or operated by Yulin Hong-Jin and are restricted to be sold or disposed of in the market; and
 - v. the property is free from any mortgages or third parties’ encumbrances.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
<p>3. Phase II of Guangxi Yulin Hong-Jin Agri-Products Market, south of 2nd Ring North Road and North West of Longbiao River, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC</p> <p>(中華人民共和國廣西壯族自治區玉州區二環北路南側龍表河西北側玉林宏進農副產品批發市場二期)</p>	<p>The property comprises unsold portion of a wholesale market mainly consisting of buildings and structures erected on a site area of approximately 141,529.79 sq.m. (1,523,414 sq.ft.).</p> <p>The property comprises various structures and canopies with a total gross floor area of approximately 21,049.60 sq.m. (226,576 sq.ft.) completed in about 2013 for retail, wholesale, storage, office and facility uses. The property also comprises various construction planned-in-progress with a total gross floor area of approximately 70,442.00 sq.m. (758,231 sq.ft.) that expected to be completed by December 2023.</p> <p>The land use rights of the property have been granted for a term expiring on 2 March 2061 for wholesale and retail uses.</p>	<p>As at valuation date, portions of the property is mainly operated by the owner as an agricultural products and by-products wholesale market while the remaining is under construction and pending for future development.</p>	<p>162,000,000 (RENMINBI ONE HUNDRED AND SIXTY TWO MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB162,000,000</p>

Notes:

1. Pursuant to a State Land Use Rights Contract – Yu Tu Chu (2011) No. 006 (玉土出(2011)第006號), the land use rights of the property with a total site area of approximately 141,607.27 sq.m. have been granted to Yulin Hongjin Logistics Development Company Limited (玉林宏進物流發展有限公司) (“**Yulin Hongjin Logistics**”), a wholly owned subsidiary of the Company with details as follows:

Restricted items**Parameters**

Plot Ratio	No more than 2.5
Site Coverage	No more than 40%
Building Height Restriction	No higher than 120 m for the main building and 24 m for the other buildings
Ratio of Green Space	No less than 15%
Maximum Gross Floor Area	354,000.00 sq.m.

2. Pursuant to 2 State-owned Land Use Rights Certificates – Yu Guo Yong (2011) No. 01000449 and No. 01000452 dated 17 May 2011, the land use rights of the property with a total site area of approximately 141,529.79 sq.m. have been granted to Yulin Hongjin Logistics, a wholly owned subsidiary of the Company for a term expiring on 2 March 2061 for wholesale and retail uses.
3. According to various cooperation agreements, the construction-in-progress with a total gross floor area of approximately 70,442.00 sq.m. is expected to be completed by December 2023. Upon completion, contracted selling price of such properties is RMB276,248,000.

As advised by the company, total development costs of such properties are about RMB209,000,000.

In the course of our valuation, we have taken into account such contracted selling price and developments costs.

4. As advised, the property is held by the Company for sale and development.
5. We have been provided with a legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
 - i. the property is legally held by Yulin Hongjin Logistics;
 - ii. all land grant premium of the property has been fully settled;
 - iii. Yulin HongJin Logistics is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Yulin HongJin Logistics is entitled to occupy or lease the land portion with temporary structures and canopies erected thereon freely in the market; and
 - iv. the property is free from any mortgages or third parties' encumbrances.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
4. Wuhan Baishazhou Agri-Products Market, Special Nos. 1 Qingling Street, Qingling Country, Hongshan District, Wuhan City, Hubei Province, the PRC (中華人民共和國湖北省武漢市洪山區青菱鄉青菱街特一號武漢白沙洲農副產品大市場)	<p>The property comprises a wholesale market mainly consisting of various one-storey to two-storey buildings and structures erected on 2 parcels of adjoining land with a total site area of approximately 313,869.86 sq.m (3,378,467 sq.ft.).</p> <p>The property comprises various completed buildings and canopies with a total gross floor area of approximately 172,625.42 sq.m. (1,858,124 sq.ft.) completed in about 2011 for retail, wholesale, storage, office and facility uses.</p> <p>The land use rights of the property have been granted for terms expiring on 20 December 2046 and 6 July 2054 for commercial, wholesale and retail use.</p>	<p>As at valuation date, the property is mainly operated by the owner as an agricultural products and by-products wholesale market.</p> <p>Portion of the property with a total gross floor area of about 153,974.31 sq.m. is subject to various tenancy agreements (the “Tenancy Agreement”) with a total annual rental income of approximately RMB97,784,777 while the remaining portion is currently vacant or owner-occupied.</p>	<p>1,428,000,000 (RENMINBI ONE BILLION FOUR HUNDRED AND TWENTY EIGHT MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB1,428,000,000</p>

Notes:

- Pursuant to a State Land Use Rights Contract No. WCG-2006-042, the land use rights of the property with a total site area of approximately 268,882.24 sq.m. have been granted to Wuhan Baishazhou Agricultural By-products Wholesale Market Company Limited (武漢白沙洲農副產品大市場有限公司) (“**Wuhan Baishazhou**”), a wholly owned subsidiary of the Company with details as follows:

Restricted items**Parameters**

Plot Ratio

No more than 0.55

Site Coverage

No more than 30%

Building Height Restriction

Pursuant to specific plans

Ratio of Green Space

Pursuant to related ordinances

Maximum Gross Floor Area

147,885.23 sq.m.

2. Pursuant to a State Land Use Rights Contract No. WH-2014-B096, the land use rights of the property with a total site area of approximately 44,987.62 sq.m. have been granted to Wuhan Baishazhou with details as follows:

Restricted items	Parameters
Plot Ratio	No more than 0.24
Maximum Gross Floor Area	10,656.5 sq.m.

3. Pursuant to a State-owned Land Use Rights Certificate Hong Guo Yong (2011) Di No. 35 dated 14 December 2011, the land use rights of the property with a site area of approximately 268,882.24 sq.m. have been granted to Wuhan Baishazhou for a term expiring on 20 December 2046 for wholesale and retail uses.

Pursuant to a State-owned Land Use Rights Certificate Wu Guo Yong (2014) Di No. 225 dated 25 August 2014, the land use rights of the property with a site area of approximately 44,987.62 sq.m. have been granted to Wuhan Baishazhou for a term expiring on 6 July 2054 for commercial use.

4. Pursuant to 41 Real Estate Title Certificates, the building ownership of portions of the property with a total gross floor area of approximately 135,368.52 sq.m. has been vested in Wuhan Baishazhou.
5. As advised, the property is held by the Company for investment purpose.
6. The property with a total gross floor area of approximately 134,706.78 sq.m. is subject to mortgage. However, we have not taken into account such mortgage in our valuation.
7. We have been provided with a legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
- i. the property is legally held by Wuhan Baishazhou;
 - ii. all land grant premium of the property has been fully settled;
 - iii. Wuhan Baishazhou is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Wuhan Baishazhou is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Wuhan Baishazhou is entitled to occupy or lease the land portion the temporary structures and canopies erected thereon freely in the market; and
 - iv. except for the aforesaid mortgage as stated in Note 7, the property is free from any mortgage or third parties' encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
5. Henan Luoyang Hong-Jin Agri-Products International Logistics Centre, west of Luoji Expressway, Old town district, Luoyang City, Henan Province, the PRC (中華人民共和國河南省洛陽市老城區洛吉快速通道西側洛陽宏進農副產品國際物流中心)	<p>The property comprises unsold portion of a wholesale market mainly consisting of various one-storey to three-storey buildings and structures erected on a parcel of land with a total site area of approximately 255,655.60 sq.m. (2,751,854 sq.ft.).</p> <p>The property comprises various buildings and canopies with a total gross floor area of approximately 208,130.66 sq.m. (2,240,300 sq.ft.) completed in about 2015 for retail, wholesale, storage, office and facility uses.</p> <p>The land use rights of the property have been granted for terms expiring on 10 September 2052 for wholesale and retail uses.</p>	<p>As at valuation date, the property is mainly operated as an agricultural products and by-products wholesale market.</p> <p>Portion of the property is subject to various tenancy agreements while the remaining portion is currently vacant or owner-occupied.</p>	<p>874,000,000 (RENMINBI EIGHT HUNDRED AND SEVENTY FOUR MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB874,000,000</p>

Notes:

- Pursuant to a State Land Use Rights Contract – Yu (Luo) Chu Rang (Year 2012) Di No. 042 (豫(洛)出讓(2012年)第042號), the land use rights of the property with a total site area of approximately 133,408.49 sq.m. have been granted to Luoyang Hong-Jin Agricultural By-products Wholesale Market Company Limited (洛陽宏進農副產品批發市場有限公司) (“**Luoyang Hong-Jin**”), a wholly owned subsidiary of the Company with details as follows:

Restricted items**Parameters**

Plot Ratio	No more than 1.4
Site Coverage	No more than 40%
Building Height Restriction	No higher than 40 m
Ratio of Green Space	No more than 20%

Maximum Gross Floor Area

186,771.90 sq.m.

2. Pursuant to a State Land Use Rights Contract – Yu (Luo) Chu Rang (Year 2013) Di No. 080 (豫(洛)出讓(2013年)第080號), the land use rights of the property with a total site area of approximately 122,247.07 sq.m. have been granted to Luoyang Libao Property Co., Ltd. (洛陽利寶置業有限公司) (“**Luoyang Libao**”), a wholly owned subsidiary of the Company, with details as follows:

Restricted items	Parameters
Plot Ratio	No more than 1.4
Site Coverage	No more than 40%
Building Height Restriction	No higher than 40 m
Ratio of Green Space	No more than 20%
Maximum Gross Floor Area	171,145.90 sq.m.

3. Pursuant to State-owned Land Use Rights Certificates – Yu (2018) Luo Yang Shi Bu Dong Chan Quan Di No.10658482 (豫(2018)洛陽市不動產權第10658482號), the land use rights of the property with a site area of approximately 255,655.60 sq.m. have been granted to Luoyang Hong-Jin for a term expiring on 10 September 2052 for wholesale and retail uses.
4. Pursuant to various Real Estate Title Certificates, the building ownership of portions of the property with a total gross floor area of approximately 136,850.02 sq.m. has been vested in Luoyang Hong-Jin.
5. As advised by the Company, portion of the property with a total gross floor area of approximately 87,183.57 sq.m. is held for sale while the remaining portion is held for investment.
6. The property with a total gross floor area of approximately 12,831.08 sq.m. is subject to a mortgage. However, we have not taken into account such mortgage in our valuation.
7. We have been provided with a legal opinion by the Group’s PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
- i. the property is legally held by Luoyang Hong-Jin and Luoyang Libao respectively;
 - ii. all land premium of the property has been fully settled;
 - iii. Luoyang HongJin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Luoyang HongJin is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Luoyang HongJin is entitled to occupy or lease land portion with the temporary structures and canopies erected thereon freely in the market; and
 - iv. except for the mortgage mentioned in Note 6, the property is free from any mortgage or third parties’ encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
6. Henan Kaifeng Hong-Jin Agri-Products International Logistics Centre, south of Kaiqi Highway and east of Xilin Public Cemetery, Kaifeng City, Henan Province, the PRC (中華人民共和國河南省開封市開杞公路南側及西林公墓東側河南宏進農副產品國際物流中心)	<p>The property comprises unsold portion of a wholesale market mainly consisting of various one-storey to three-storey buildings and structures erected on 5 parcels of contiguous land with a total site area of approximately 405,576.87 sq.m. (4,365,593 sq.ft.).</p> <p>The property comprises various buildings and canopies with a total gross floor area of approximately 107,354.48 sq.m. (1,155,554 sq.ft.) completed in about 2014 for retail, wholesale, storage, office and facility uses.</p> <p>The land use rights of the property have been granted for a term expiring on 14 May 2053 for wholesale market use.</p>	<p>The property is mainly operated by the owner as an agricultural products and by-products wholesale market.</p> <p>Portion of the property is subject to various tenancy agreements while the remaining portion is currently vacant or owner-occupied.</p>	<p>263,000,000 (RENMINBI TWO HUNDRED AND SIXTY THREE MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB263,000,000</p>

Notes:

- Pursuant to five State Land Use Rights Contracts – Yu (Bian) Chu Rang (Year 2013) Nos. 0345 to 0349 (豫(汴)出讓(2013年)第0345至0349號), the land use rights of the property with a total site area of approximately 408,080.1 sq.m. is granted to Kaifeng Hong-Jin Agricultural By-Products Wholesale Marketplace Limited (開封宏進農副產品批發市場有限公司) (“**Kaifeng Hong-Jin**”), an indirect wholly-owned subsidiary of the Company with details as follows:

Restricted items**Parameters**

Plot Ratio	No more than 1.2
Site Coverage	No more than 45%
Building Height Restriction	No more than 24 m and should fulfil the airport clearance height restriction
Ratio of Green Space	No less than 20%
Maximum Gross Floor Area	489,696.12 sq.m.

2. Pursuant to 4 State-owned Land Use Rights Certificates – Bian Fang Di Chan Quan Zheng Di Nos. 252098, 252099, 252100 and 252101 (汴房地產權証第252098、252099、252100、252101號 and a Real Estate Title Certificate – Yu (2019) Kai Feng Shi Bu Dong Chan Quan Zheng Di No. 0002374 (豫(2019)開封市不動產權第0002374號)), the land use rights of the property with a total site area of approximately 405,576.87 sq.m. have been granted to Kaifeng Hong-Jin for a term expiring on 14 May 2053 for wholesale market use.
3. Pursuant to various Building Ownership Certificates, the building ownership of portions of the property with a total gross floor area of approximately 42,153.17 sq.m. has been vested in Kaifeng Hong-Jin.

As stated in the legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), the properties with a total gross floor area of approximately 61,770.62 sq.m. are in the process of applying for relevant title certificates, that there is no legal impediments for Kaifeng Hong-Jin obtain such title certificates and upon obtaining such relevant certificates, Kaifeng Hong-Jin is entitled to transfer, lease, mortgage or dispose of such portion of the property freely in the market respectively.

4. As advised by the Company, portion of the property with a total gross floor area of approximately 9,686.91 sq.m. is held for sale while the remaining portion is held for investment.
5. The subject land with a total site area of approximately 93,708.10 sq.m. is subject to mortgage. However, we have not taken into account such mortgage in our valuation.
6. We have been provided with a legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
 - i. the property is legally held by Kaifeng Hong-Jin;
 - ii. all land premium of the property has been fully settled by Kaifeng Hong-Jin;
 - iii. Kaifeng Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Kaifeng Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Kaifeng Hong-Jin is entitled to occupy or lease land portion with the temporary structures and canopies erected thereon freely in the market; and
 - iv. except for the aforesaid mortgage as stated in Note 5, the property is free from any mortgage or third parties' encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
7. Panjin Hong-Jin Agri-Products International Trade City, Xihu Village, Hujia Town, Panshan County, Panjin City, Liaoning Province, the PRC (中華人民共和國遼寧省盤錦市盤山縣胡家鎮西胡村盤錦宏進農副產品國際商貿城)	<p>The property comprises unsold portion of a wholesale market mainly consisting of various one-storey to two-storey buildings and structures erected on 3 parcels of contiguous land with a total site area of approximately 159,774.00 sq.m. (1,719,793 sq.ft.).</p> <p>The property comprises various buildings and canopies with a total gross floor area of approximately 50,841.11 sq.m. (547,249 sq.ft.) completed in about 2016 for retail, wholesale, storage, office and facility uses.</p> <p>The land use rights of the property have been granted for terms expiring on 19 March 2054 for commercial use and 19 March 2084 for residential use.</p>	<p>The completed portion of the property is mainly operated by the owner as an agricultural products and by-products wholesale market.</p> <p>Portion of the property is subject to various tenancy agreements while the remaining portion is currently vacant or owner-occupied.</p>	<p>125,000,000 (RENMINBI ONE HUNDRED AND TWENTY FIVE MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB125,000,000</p>

Notes:

- Pursuant to two State Land Use Rights Contracts – State-owned Land Use Rights Grant Contract No. 2111222014002 and No. 2111222014003 (國有建設用地使用權出讓合同編號2111222014002及2111222014003), the land use rights of the property with a total site area of approximately 120,061 sq.m. have been granted to Panjin Hong-Jin Agricultural By-Products Wholesale Marketplace Limited (盤錦宏進農副產品批發市場有限公司) (“**Panjin Hong-Jin**”), an indirect wholly-owned subsidiary of the Company with details as follows:

Restricted items**Parameters**

Plot Ratio	No more than 1.5
Site Coverage	No more than 60%
Building Height Restriction	n/a
Ratio of Green Space	No less than 15%

Maximum Gross Floor Area

180,091.50 sq.m.

2. Pursuant to a State Land Use Rights Contract – State-owned Land Use Rights Grant Contract No. 2111222014004 (國有建設用地使用權出讓合同編號2111222014004), the land use rights of the property with a total site area of approximately 39,713 sq.m. have been granted to Panjin Hong-Jin with details as follows:

Restricted items	Parameters
Plot Ratio	Between 1.0 and 2.0 (both inclusive)
Site Coverage	No more than 35%
Building Height Restriction	n/a
Ratio of Green Space	No less than 30%
Maximum Gross Floor Area	79,426.00 sq.m.

3. Pursuant to three State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 159,774.00 sq.m. have been granted to Panjin Hong-Jin with details as follows:

State-owned Land Use Rights Certificates – Pan Shan Guo Yong (2014) Di No. (盤山國用(2014)第號)	Land use rights expiring date	Permitted usage	Approximate land area (sq.m.)
000015	19 March 2054	Commercial Service	78,816.00
000016	19 March 2054	Commercial Service	41,245.00
000017	19 March 2084	Residential	31,770.00
	19 March 2054	Commercial	7,943.00
		Total:	159,774.00

4. Pursuant to various Building Ownership Certificates, the building ownership with a total gross floor area of approximately 48,050.05 sq.m. has been vested in Panjin Hong-Jin.
5. Pursuant to a Pre-sale Permits, the property with a total gross floor area of 39,437.71 sq.m. has been permitted for pre-sale.
6. As advised by the Company, portion of the property with a total gross floor area of approximately 45,125.83 sq.m. is held for sale while the remaining portion is held for investment.
7. We have been provided with a legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:

- i. the property is legally held by Panjin Hong-Jin;
- ii. all land premium of the property has been fully settled by Panjin Hong-Jin;

Panjin Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Panjin Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Panjin Hong-Jin is entitled to occupy or lease the land portion with temporary structures and canopies erected thereon freely in the market; and

- iii. the property is free from any mortgage or third parties' encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
8. Henan Puyang Hong-Jin Agri-Products International Logistics Centre, Area No. 033, No. 112 Street, Puyang City, Henan Province, the PRC (中華人民共和國河南省 濮陽市112街道033街坊 濮陽宏進農副產品國際 物流中心)	The property comprises unsold portion of an agricultural wholesale market erected on a parcel of land with a total site area of approximately 87,344.23 sq.m. (940,166 sq.ft.). The property comprises various buildings and canopies with a total gross floor area of approximately 23,651.19 sq.m. (254,579 sq.ft.) completed in about 2020 for retail, wholesale, storage, office and facility uses. The land use rights of the property have been granted for terms expiring on 7 March 2057 for commercial use.	The completed portion of the property is mainly operated by the owner as an agricultural products and by-products wholesale market while the remaining portion is still vacant and pending for future development.	129,000,000 (RENMINBI ONE HUNDRED AND TWENTY NINE MILLION ONLY) 75% interest attributed to the Group: RMB96,750,000

Notes:

- Pursuant to a State Land Use Rights Contracts – State-owned Land Use Rights Grant Contract GF-2008-2601 (國有建設用地使用權出讓合同編號GF-2008-2601), the land use rights of the property with a total site area of approximately 87,344.23 sq.m. have been granted to Puyang Hong-Jin Agricultural By-Products Wholesale Marketplace Limited (濮陽宏進農副產品批發市場有限公司) (“**Puyang Hong-Jin**”), a 75% owned subsidiary of the Company with details as follows:

Restricted items**Parameters**

Plot Ratio

No more than 1.2

Site Coverage

No less than 30% and No more than 50%

Building Height Restriction

No more than 30 m

Ratio of Green Space

No less than 10%

Maximum Gross Floor Area

104,813.08 sq.m.

2. Pursuant to a State-owned Land Use Rights Certificate – Pu Yang Shi Bu Dong Chan Quan Di No. 0003857 (濮陽市不動產權第0003857號), the land use rights of the property with a total site area of approximately 87,344.23 sq.m. have been granted to Puyang Hong-Jin for a term expiring on 7 March 2057 for commercial use. As advised by the Company, the subject land parcels were acquired on 3 November 2016 at a total land grant premium at RMB24,893,100.
3. Pursuant to various Building Ownership Certificates, the building ownership with a total gross floor area of approximately 23,651.19 sq.m. has been vested in Panjin Hong-Jin.
4. As advised, the property is held by the Company for sale and development.
5. We have been provided with a legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
 - i. the property is legally held by Puyang Hong-Jin;
 - ii. Puyang HongJin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Puyang HongJin is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Luoyang HongJin is entitled to occupy or lease the land portion with the temporary structures and canopies erected thereon freely in the market;
 - iii. all land premium of the property has been fully settled by Puyang Hong-Jin; and
 - iv. the property is free from any mortgage or third parties' encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 RMB
9. The Huai'an Hong-Jin Agri-Products International Logistics Centre, north of Bei Huan Lu and east of Hai Nan Lu, Qing Pu District, Huai'an, Jiangsu Province, the PRC (中華人民共和國江蘇省淮安市清浦區北環路北側及海南路東側淮安宏進農副產品國際物流中心)	The property comprises unsold portion of a wholesale market mainly consisting of various one-storey to two-storey buildings and structures erected on 2 parcels of adjacent land with a total site area of approximately 101,630.60 sq.m. (1,093,943 sq.ft.). The property comprises various buildings with a total gross floor area of approximately 16,417.58 sq.m. (176,717 sq.ft.) completed in about 2016 for retail, wholesale, storage, office and facility uses. The land use rights of the property have been granted for a term expiring latest on 23 October 2054 for wholesale and retail uses.	As advised by the Company, the completed portion of the property is operated as an agricultural products and by-products wholesale market while the remaining portion is still vacant and pending for future development.	146,000,000 (RENMINBI ONE HUNDRED AND FORTY SIX MILLION ONLY) 100% interest attributed to the Group: RMB146,000,000

Notes:

- Pursuant to a State Land Use Rights Contract – State-owned Land Use Rights Grant Contract No. 3208012013CR0045 (國有建設用地使用權出讓合同編號3208012013CR0045), the land use rights of the property with a total site area of approximately 53,178.00 sq.m. have been granted to Huai'an Hong-Jin Agricultural By-Products Wholesale Marketplace Limited (淮安宏進農副產品批發市場有限公司) (“**Huai'an Hong-Jin**”), an indirect wholly-owned subsidiary of the Company, with details as follows:

Restricted items**Parameters**

Plot Ratio	No more than 1.2
Site Coverage	No more than 50%
Building Height Restriction	100 m
Ratio of Green Space	No less than 20%

Maximum Gross Floor Area

63,813.60 sq.m.

2. Pursuant to a State Land Use Rights Contract – State-owned Land Use Rights Grant Contract No. 3208012014CR0447 (國有建設用地使用權出讓合同編號3208012013CR0447), the land use rights of the property with a total site area of approximately 48,452.60 sq.m. have been granted to Huai’an Hong-Jin with details as follows:

Restricted items	Parameters
Plot Ratio	No more than 1.2
Site Coverage	No more than 50%
Building Height Restriction	n/a
Ratio of Green Space	No less than 20%
Maximum Gross Floor Area	58,143.12 sq.m.

3. Pursuant to State-owned Land Use Rights Certificates – Huai Guo Yong (2014) Di No. 11012 (淮國用(2014)第11012號), the land use rights of the property with a total site area of approximately 53,178.00 sq.m. was granted to Huai’an Hong-Jin Agricultural By-Products Wholesale Marketplace Limited (淮安宏進農副產品批發市場有限公司) (“**Huai’an Hong-Jin**”), an indirect wholly-owned subsidiary of the Company for a term expiring on 20 June 2054 for wholesale and retail uses. As advised by the Company, the subject land parcels were acquired on 29 January 2013 at a total land grant premium at RMB42,000,000.
4. Pursuant to State-owned Land Use Rights Certificates – Huai Guo Yong (2014) Di No. 17295 (淮國用(2014)第17295號), the land use rights of the property with a total site area of approximately 48,452.60 sq.m. was granted to Huai’an Hong-Jin for a term expiring on 23 October 2054 for wholesale and retail uses. As advised by the Company, the subject land parcels were acquired on 4 September 2014 at a total land grant premium at RMB44,000,000.
5. Pursuant to various Pre-sale Permits, the property with a the total gross floor area of 18,046.86 sq.m. has been permitted for pre-sale.
6. Pursuant to various Building Ownership Certificates, the building ownership with a total gross floor area of approximately 112.18 sq.m., has been vested in Huai’an Hong-Jin.,

As stated in the legal opinion provided by the Group’s PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), the properties with a total gross floor area of approximately 13,955.37 sq.m. are in the process of applying for relevant title certificates; and there is no legal impediments for Huai’an Hong-Jin to obtain such title certificates and upon obtaining such relevant certificates, Huai’an Hong-Jin is entitled to transfer, lease, mortgage or dispose of such portion of the property freely in the market respectively.

7. As advised by the Company, portion of the property with a total gross floor area of approximately 13,181.25 sq.m. is held for sale while the remaining portion is held for investment.
8. We have been provided with a legal opinion by the Group’s PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:

- i. the property is legally held by Huai’an Hong-Jin;
- ii. all land premium of the property has been fully settled by Huai’an Hong-Jin;
- iii. Huai’an HongJin Logistics is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Huai’an HongJin Logistics is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Huai’an HongJin Logistics is entitled to occupy or lease the land portion with the temporary structures and canopies erected thereon freely in the market; and

- iv. the property is free from any mortgage or third parties’ encumbrance.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 31 May 2020 <i>RMB</i>
10. China – ASEAN (Qinzhou) Agri-Products Market, north of Jinhaiwan West Avenue (Entrance of North and South Highway), Qinzhou City, Guangxi Zhuang Autonomous Region, the PRC (中華人民共和國廣西壯族自治區欽州市金海灣西大街北側(南北高速出入口)中國-東盟(欽州)農產品大市場)	The property comprises unsold portion of a wholesale market mainly consisting of various one-storey to two-storey buildings and structures erected on two parcels of adjoining land with a total site area of approximately 266,630.15 sq.m. (2,869,983 sq.ft.). The property comprises various buildings and canopies with a total gross floor area of approximately 152,497.29 sq.m. (1,641,467 sq.ft.) completed in about 2015 for retail, wholesale, storage, office and facility uses. The land use rights of the property have been granted for a term expiring on 13 November 2051 and 29 October 2052 for wholesale and retail uses (agri-products market).	As at valuation date, the property is mainly operated as an agricultural products and by-products wholesale market.	485,000,000 (RENMINBI FOUR HUNDRED AND EIGHTY FIVE MILLION ONLY) 100% interest attributed to the Group: RMB485,000,000

Notes:

- Pursuant to two State Land Use Rights Contract – Qin Shi Tu Chu Zi (2011) No. 47 (欽市土出字(2011)47號) and Qin Shi Tu Chu Zi (2012) No. 45 (欽市土出字(2012)45號), the land use rights of the property with a total site area of approximately 266,630.15 sq.m. have been granted to Qinzhou Hong-Jin Agricultural By-products Wholesale Market Company Limited (欽州宏進農副產品批發市場有限公司) (“**Qinzhou Hong-Jin**”), a wholly owned subsidiary of the Company, for wholesale and retail uses (Agri-products market) with details as follows:

Restricted items**Parameters**

Plot Ratio	No more than 1.5
Site Coverage	No more than 50%
Building Height Restriction	No higher than 24 m
Ratio of Green Space	No less than 20%

Maximum Gross Floor Area

399,945.23 sq.m.

2. Pursuant to State-owned Land Use Rights Certificate – Qin Guo Yong (2011) Di No. A1932 (欽國用(2011)第A1932號), the land use rights of the property with a site area of approximately 149,814.97 sq.m. have been granted to Qinzhou Hong-Jin for a term expiring on 13 November 2051 for wholesale and retail uses (agri-products market).
3. Pursuant to State-owned Land Use Rights Certificate – Qin Guo Yong (2013) Di No. A1215 (欽國用(2013)第A1215號), the land use rights of the property with a site area of approximately 116,815.18 sq.m. have been granted to Qinzhou Hong-Jin, for a term expiring on 29 October 2052 for wholesale and retail uses (agri-products market). As advised by the Company, the subject land was acquired on 30 October 2012 at a land grant premium of RMB17,050,000.
4. Pursuant to State-owned Land Use Rights Certificate – Qin Guo Yong (2016) Di No. A0347 (欽國用(2016)第A0347號), the land use rights of the property with a site area of approximately 28,194.01 sq.m. have been granted to Qinzhou Hong-Jin, for a term expiring on 13 November 2051 for wholesale and retail uses (Agri-products market). As advised, site area registered in No. A0347 has been contained in No. A1932.
5. Pursuant to various Building Ownership Certificates, the building ownership of portions of the property with a total gross floor area of approximately 135,873.25 sq.m. has been vested in Qinzhou Hong-Jin.
6. As advised, the property is held by the Company for sale.
7. The property with a total area of approximately 129,160.53 sq.m. is subject to mortgage. However, we have not taken into account such mortgage in our valuation.
8. We have been provided with a legal opinion by the Group's PRC legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), regarding the legal title of the property, with contains, *inter alia*, the follows:
 - i. the property is legally held by Qinzhou Hong-Jin;
 - ii. all land premium of the property has been fully settled by Qinzhou Hong-Jin;

Qinzhou Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;

Qinzhou Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of portions with real estate title certificates separately in the market;

Qinzhou Hong-Jin is entitled to occupy or lease the land portion with the temporary structures and canopies erected thereon freely in the market; and
 - iii. except for the aforesaid mortgage as stated in Note 7, the property is free from any mortgage or third parties' encumbrance.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) Long positions in Shares

Name of Director	Nature of interests/ Capacity	Number of Shares held	Approximate percentage in the Company's total issued share capital
Mr. Tang	Interest of controlled corporations ^(Note 2)	715,322,940	58.08%

(ii) Long positions in the shares of WOG, an associated corporation of the Company

Name of Director	Name of corporation	Number of Shares held	Approximate percentage in WOG's total issued share capital ^(Note 1)
Mr. Tang	WOG ^(Note 2)	9,984,356,772	57.39%

Notes:

- The percentage represented the percentages of respective company's share capital as stated in the relevant disclosure of interests forms.
- Under the SFO, Mr. Tang Ching Ho is taken to be interested in the interests of the Company as he is taken to be interested in an aggregate of 9,984,356,772 shares in WOG (an associated corporation of the Company under the meaning of the SFO), representing approximately 57.39% of all the issued shares of WOG, by virtue of his own beneficial shareholding, the shareholding interests of his spouse in WOG, the shareholding interests of a company wholly and beneficially owned by him, and his deemed interests by virtue of being the founder of Tang's Family Trust. WOG is taken to be interested in the Shares held by Rich Time. Rich Time, an indirect wholly-owned subsidiary of WOG, was the beneficial owner of 715,322,940 Shares. Therefore, Mr. Tang Ching Ho was deemed to be interested in 715,322,940 Shares held by WOG for the sole purpose of Part XV of the SFO.

(iii) Long positions in the underlying shares of shares options of EOG, an associated corporation of the Company:

Name of Director	Date of grant	Exercise price per share HK\$	Number of share options outstanding	Exercisable period	Number of underlying shares	Approximate percentage of EOG's total issued share capital ^(Note) %
Mr. Chan Chun Hong, Thomas	23.2.2018	0.48	4,600,000	23.2.2018– 22.2.2025	4,600,000	0.83

Note: The percentage represented the number of shares over the total issued share capital of EOG as at the Latest Practicable Date was 556,432,500 Shares.

(b) Substantial Shareholders' interests

Save as disclosed below, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no person had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in Shares

Name of Shareholders	Nature of interests/ Capacity	No. of Shares	Approximate percentage in the Company's total issued share capital
WOG	Interest of controlled corporations <i>(Note 2)</i>	715,322,940	58.08%
Wang On Enterprises (BVI) Limited	Interest of controlled corporations <i>(Note 2)</i>	715,322,940	58.08%
Rich Time	Beneficial owner	715,322,940	58.08%
Ms. Yau Yuk Yin	Interest of spouse <i>(Note 1)</i>	715,322,940	58.08%

Notes:

1. The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms filed by the above persons.
2. WOG is deemed to be interested in 715,322,940 Shares beneficially owned by Rich Time as at the Latest Practicable Date as Rich Time is indirectly and wholly owned by WOG through WOG's ownership of Wang On Enterprises (BVI) Limited. Mr. Tang Ching Ho is an executive director of WOG. Mr. Chan Chung Hong, Thomas and Ms. Tang Mui Fun are also directors of each of Wang On Enterprises (BVI) Limited and Rich Time.
3. Ms. Yau Yuk Yin is taken to be interested in the Shares in which her spouse, Mr. Tang Ching Ho, is interested as stated above in the sub-paragraph headed "2.(a) Directors' Interests" in this Appendix.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

- (ii) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 March 2020, being the date on which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interest in businesses which competes or was likely to compete, whether directly or indirectly, with the business of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

6. LITIGATIONS

(A) Writ issued in the PRC by Ms. Wang Xiu Qun and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd. against CAP ("PRC Action No. 1")

CAP received a writ (the "**Writ**") issued by Ms. Wang Xiu Qun ("**Ms. Wang**") and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd. ("**Tian Jiu**") (as plaintiffs) in December 2010 against CAP (as defendant) and the same was filed with the Higher People's Court of Hubei Province (the "**Hubei Court**") of the PRC, together with the related court summons dated 4 January 2011 (the "**Summons**"). The Writ also joined Wuhan Baisazhou Agricultural By- Product Grand Market Company Limited ("**Baisazhou Agricultural**") as third party to such civil proceeding.

Major allegations of Ms. Wang and Tian Jiu as set out in the Writ are as follows:

- (a) it is alleged that Baisazhou Agricultural forged a share transfer agreement (the "**Contented Agreement**") in relation to the acquisition of Baisazhou Agricultural (the "**Acquisition**") wherein the consideration for the Acquisition was understated and the manner of settlement of the consideration was inaccurately described;

- (b) it is alleged that Baisazhou Agricultural forged the related documentation for filing with the PRC Ministry of Commerce (“**MOFCOM**”) and the Hubei Administration For Industry and Commerce (the “**Hubei AIC**”), and that such documentation and the Contended Agreement involved forged signatures; and
- (c) it is alleged that MOFCOM and the Hubei AIC approved the Acquisition and processed the related filings on the basis of the above documents that are allegedly forged.

On 18 November 2011, the Hubei Court granted (among other things) an order to freeze the 8% equity interest in Baisazhou Agricultural held by CAP.

Subsequently, CAP received judgment dated 31 May 2014 (the “**Hubei Court Judgment**”) from the Hubei Court in relation to PRC Action No. 1. In the Hubei Court Judgment, the Hubei Court dismissed the claims of Ms. Wang and Tian Jiu, and they were ordered to bear the legal costs of the matter.

CAP then received the notice of appeal to the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”) from Ms. Wang and Tian Jiu regarding PRC Action No. 1 (the “**Appeal**”). In the Appeal, Ms. Wang and Tian Jiu sought an order from the Supreme People’s Court that the Contended Agreement was void.

CAP received the judgment dated 31 December 2014 handed down from the Supreme People’s Court in relation to the Appeal (the “**Beijing Judgment**”). In the Beijing Judgment, the Supreme People’s Court ordered (among other things) that (a) the Hubei Court Judgment be revoked; and (b) the Contended Agreement was void.

As advised by the PRC legal adviser of CAP:

- (a) The Supreme People’s Court only ordered the Contended Agreement void, but it did not make any ruling regarding the Acquisition itself.
- (b) The Beijing Judgment will not directly lead to any immediate change of ownership of Baisazhou Agricultural. CAP continues to be the legal owner of Baisazhou Agricultural until and unless the revocation of:
 - (i) the approval of the Acquisition from MOFCOM; and
 - (ii) the registration of the transfer of shareholding by the Hubei AIC.

On 23 June 2015, CAP submitted an application to the Supreme People’s Court for a retrial, requesting that the Beijing Judgment be set aside.

On 22 December 2015, the Supreme People’s Court dismissed CAP’s petition (the “**December 2015 Judgment**”).

(B) Writ issued in the PRC by CAP and Baisazhou Agricultural against Ms. Wang, Tian Jiu and others

In 2011, CAP and Baisazhou Agricultural commenced court proceedings at the Hubei Court against, inter alia, Ms. Wang and Tian Jiu for the return of assets and operating profits of Baisazhou Agricultural which were unlawfully misappropriated etc.

On 16 October 2014 CAP applied to the Hubei Court to withdraw its claim in the proceedings. CAP's application was granted on 22 October 2014. Baisazhou Agricultural remains as plaintiff of the proceedings.

On 12 January 2016, the Hubei Court issued a notice to the parties, informing the parties that the composition of the judges for the proceedings would be changed.

On 27 March 2017, the Hubei Court made an order that since the outcome of the legal proceedings against MOFCOM by Ms. Wang and Tian Jiu (see Section (D) below) would affect the trial of these proceedings, these proceedings should be stayed.

On 2 July 2020, the Hubei Court issued a notice informing the parties that these proceedings would be resumed on 15 July 2020.

As at the Latest Practicable Date, the case is still ongoing.

(C) Writ issued by CAP against Ms. Wang and Tian Jiu in Hong Kong

On or about 24 October 2011, CAP issued a Writ of Summons in the Hong Kong Court of First Instance (the "**Court**") against Ms. Wang and Tian Jiu. CAP (as purchaser) sought damages from Ms. Wang and Tian Jiu (as vendors) for their breach of various provisions of the sale and purchase agreement (the "**SPA**") for the Acquisition.

On 5 October 2012, CAP obtained a court order from the Court to the effect that undertakings (the "**Undertakings**") were given by Ms. Wang and Tian Jiu not to (i) indorse, assign, transfer or negotiate the two instruments (purportedly described as promissory notes in the SPA) (the "**Instruments**"); and (ii) enforce payment by presentation of the Instruments until the final determination of the court action or further court order. Pursuant to the Undertakings, the Instruments will no longer fall due for payment by CAP on 5 December 2012.

On 9 June 2017, upon the parties' joint application to the Court, the Court varied the Undertakings to the effect that the Undertakings shall stand save that Ms. Wang and Tian Jiu can make a counterclaim under the present action as per the draft attached to the Consent Summons filed by the parties on 2 June 2017.

The trial took place in February, March and June 2019 for 23 days. The parties are waiting for the Court to hand down judgment.

(D) Legal proceedings against MOFCOM by Ms. Wang and Tian Jiu

On 4 May 2015 and 5 May 2015, Ms. Wang and Tian Jiu had jointly commenced two separate legal proceedings against MOFCOM alleging that MOFCOM failed to discharge its statutory duties for handling their application submitted in January 2015 for revoking the certificate of approval and letter of approval in relation to the Contended Agreement (the “**Application**”). The cases have been accepted by the Beijing Second Intermediate People’s Court (the “**Beijing Court**”).

On 20 May 2015, MOFCOM had filed its defence and each of CAP and Baisazhou Agricultural has then made an application to join the cases as third party.

On 25 May 2015, the Beijing Court issued a notice to CAP regarding submission of evidence.

On 8 January 2016, CAP received a judgment dated 31 December 2015 issued by the Beijing Court, by which the Beijing Court demanded MOFCOM to handle the Application again within 30 days.

On 15 February 2016, an inquiry was held by MOFCOM where the relevant parties to the legal proceedings were invited to attend and make submissions.

On 23 May 2016, CAP received a decision issued by MOFCOM dated 19 May 2016 (the “**MOFCOM Decision**”) to the effect, inter alia, that its approval issued in November 2007 in relation to the Contended Agreement shall not be revoked and shall remain to be in force.

According to a writ dated 3 August 2016, Ms. Wang and Tian Jiu requested the Beijing Court to revoke the MOFCOM Decision and to order MOFCOM to make a decision to revoke the approval. According to a notice issued by the Beijing Court, each of CAP and Baisazhou Agricultural has been added as a third party to the proceedings by the Beijing Court.

CAP subsequently received the judgment of the Beijing Court dated 31 March 2017 (the “**31 March Judgment**”) stating that the request made by Ms. Wang and Tian Jiu to revoke the MOFCOM Decision lacked both legal and factual basis and was not supported by the Beijing Court. Accordingly, the Beijing Court dismissed the application of Ms. Wang and Tian Jiu.

On 10 May 2017, CAP received a Notice of Appeal dated 8 May 2017. By the Notice of Appeal, Ms. Wang and Tian Jiu appealed against the 31 March Judgment and requested for an order that (a) the 31 March Judgment be set aside and that (b) MOFCOM to make a decision to revoke the approval issued in 2007 in relation to the Contended Agreement.

On 24 December 2018, CAP received the judgment of the Beijing Higher People's Court dated 20 December 2018 (the "**20 December Judgment**") dismissing the appeal of Ms. Wang and Tian Jiu and upholding the ruling of the Beijing Court as set out in the 31 March Judgment. In other words, the approval issued by MOFCOM in November 2007 in relation to the Contended Agreement shall not be revoked and shall remain to be in force.

On 4 March 2020, CAP noted the judgment of the Supreme People's Court dated 31 December 2019 (the "**31 December Judgment**"). By the 31 December Judgment, the Supreme People's Court dismissed the application of Ms. Wang and Tian Jiu for retrial and for dismissal of the 31 March Judgment and the 20 December Judgment.

(E) Writ issued by CAP against Ms. Wang and Tian Jiu in Hubei

On 22 May 2015, in view of the Beijing Judgment (as disclosed in Section (A) above), CAP issued a writ against Ms. Wang and Tian Jiu. CAP seeks an order from the Hubei Court that Ms. Wang and Tian Jiu shall assist Baisazhou Agricultural to discharge its contractual duties under the SPA to make the necessary filing with MOFCOM.

On 15 June 2015, Ms. Wang and Tian Jiu brought a jurisdiction objection to the Hubei Court.

On 25 August 2015, the Hubei Court dismissed the jurisdiction objection.

On 6 September 2015, Ms. Wang and Tian Jiu appealed to the Supreme People's Court regarding the dismissal of jurisdiction objection.

On 30 October 2015, the Supreme People's Court dismissed the appeal of Ms. Wang and Tian Jiu.

On 20 July 2016, the Hubei Court issued a notice to the parties for attendance at the pre-trial review on 11 August 2016.

According to the counterclaim filed by Ms. Wang and Tian Jiu dated 6 August 2016, they sought for a declaration from the Hubei Court that the SPA no longer have any force.

On 11 August 2016, CAP submitted an application to modify its claims. The modified claims include: (1) to confirm that the SPA has been legally made; (2) to seek an order from the Hubei Court that Ms. Wang and Tian Jiu shall assist CAP and Baisazhou Agricultural to discharge its contractual duties under the SPA to make the necessary filing with MOFCOM; (3) to seek an order from the Hubei Court that if Ms. Wang and Tian Jiu fail to assist as abovementioned then CAP and Baisazhou Agricultural shall have the right to make the necessary filing with MOFCOM on their own; and (4) to seek an order from the Hubei Court that Ms. Wang and Tian Jiu shall bear the costs of the proceedings.

On 27 March 2017, the Hubei Court made an order that since the outcome of the legal proceedings against MOFCOM by Ms. Wang and Tian Jiu (see Section (D) above) would affect the trial of these proceedings, these proceedings should be stayed.

On 26 April 2017, Ms. Wang and Tian Jiu applied to the Hubei Court for a freezing order in respect of CAP's 70% interest in Baisazhou Agricultural. The Hubei Court refused the application by Ms. Wang and Tian Jiu on that occasion.

On 10 May 2017, Ms. Wang and Tian Jiu applied to the Hubei Court again for a freezing order in respect of CAP's 70% interest in Baisazhou Agricultural. According to the order of the Hubei Court dated 26 May 2017 (the "**26 May Order**"), the Hubei Court granted the freezing order as against CAP's 70% interest in Baisazhou Agricultural.

On 26 May 2017, Ms. Wang and Tian Jiu applied to add a counterclaim for return of CAP's 90% interest in Baisazhou Agricultural (70% for Ms. Wang and 20% for Tian Jiu).

On 5 June 2017, CAP applied to the Hubei Court for review of the 26 May Order. According to the order of the Hubei Court dated 12 June 2017, the application by CAP was dismissed.

On 10 April 2019, in light of the outcome of the legal proceedings against MOFCOM by Ms. Wang and Tian Jiu (see section (D) above), CAP applied to the Hubei Court for withdrawal of CAP's claim. The application of CAP was granted on 11 April 2019.

According to the order of the Hubei Court dated 23 December 2019 ("**23 December Judgment**"), the counterclaim made by Ms. Wang and Tianjiu was dismissed by the Hubei Court.

Pursuant to a notice of appeal dated 19 January 2020, Ms. Wang and Tian Jiu appealed against the 23 December Judgment and requested from the Supreme People's Court for an order that (a) the 23 December Judgment be set aside, (b) the SPA no longer have any force, and (c) CAP's 90% interest in Baisazhou Agricultural be returned (70% for Ms. Wang and 20% for Tian Jiu).

(F) Writ issued by Luoyang Hongjin Agricultural and By-Product Exchange Market Company Limited against Mr. Cui Zhanjun

On 3 April 2017, Luoyang Hongjin Agricultural and By-Product Exchange Market Company Limited ("**Luoyang Hongjin**"), an indirect wholly-owned subsidiary of CAP, issued a writ against Mr. Cui Zhanjun ("**Mr. Cui**") seeking an order from the Laocheng District People's Court ("**Laocheng Court**") for return of security deposit in relation to the construction works in the sum of RMB2,721,500 with interests by Mr. Cui.

Upon mediation between the parties, the Laocheng Court made a mediation order that (1) Mr. Cui shall pay RMB2,721,500 to Luoyang Hongjin by 31 December 2017 and (2) in the event of default by Mr. Cui, interest shall accrue on the said sum of RMB2,721,500 at the benchmark interest rate of the People's Bank of China.

By 31 December 2017, Mr. Cui had failed to pay the sum of RMB2,721,500 to Luoyang Hongjin. Luoyang Hongjin applied to the Laocheng Court for enforcement action against Mr. Cui. By 21 January 2020, Mr. Cui has paid the sum of approximately RMB2,693,172 to Luoyang Hongjin through the Laocheng Court.

The case has now come to an end.

(G) Writ issued in the PRC by Jiangsu Shenglong Zhengtai Trade and Commercial Development Co., Ltd against Huai'an Mingyuan Agricultural Development Company Ltd and Mr. Wang Yong Gang

On 4 November 2018, Jiangsu Shenglong Zhengtai Trade and Commercial Development Co., Ltd ("**Jiangsu Shenglong**"), an indirect wholly-owned subsidiary of CAP, issued a writ against Huai'an Mingyuan Agricultural Development Company Ltd ("**Huai'an Mingyuan**") and Mr. Wang Yong Gang ("**Mr. Wang**"), seeking an order from the Nanjing Xuanwu District People's Court, inter alia, that (1) the Business Cooperation Agreement and Supplemental Business Cooperation Agreement signed by the parties shall be terminated; (2) Huai'an Mingyuan shall pay Jiangsu Shenglong RMB30,000,000 as compensation for breach of the Business Cooperation Agreement; (3) Huai'an Mingyuan shall pay Jiangsu Shenglong RMB2,029,250 and RMB5,795,000 as compensation for breaches of the Supplemental Business Cooperation Agreement; (4) Mr. Wang shall be held responsible for Huai'an Mingyuan's aforementioned compensations to Jiangsu Shenglong; and (5) the defendants shall be jointly liable for the costs of the proceedings and Huai'an Mingyuan shall be liable for the legal fees of Jiangsu Shenglong.

On 16 December 2018, Huai'an Mingyuan issued counterclaim against Jiangsu Shenglong, seeking an order from Nanjing Xuanwu District People's Court, inter alia, that (1) the Termination of Cooperation Notice issued by Jiangsu Shenglong dated 17 September 2018 does not have any force against Huai'an Mingyuan; and (2) Jiangsu Shenglong shall be liable for the legal fees of Huai'an Mingyuan.

As at the Latest Practicable Date, the case was still ongoing.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

Within the two years immediately preceding the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group which are or may be material:

- (a) a loan agreement dated 26 September 2019 entered into between CAP, as the borrower, and Winning Rich Investments Limited (“**Winning Rich**”), an indirect wholly-owned subsidiary of the Company, as the lender, pursuant to which Winning Rich agreed to grant an unsecured loan in the principal amount of HK\$621.0 million at an interest rate of 10% per annum for a period of three years, the details of which were set out in the announcement dated 26 September 2019 jointly issued by, among others, the Company, WOG, EOG and CAP;
- (b) on 3 June 2019, Suntech Investments Limited, an indirect wholly-owned subsidiary of the Company, placed an order to acquire US\$4.0 million 7.875% senior notes due 15 February 2022 issued by Sunac China Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed and traded on the main board of the Stock Exchange (Stock Code: 1918), in the secondary market for a total consideration of approximately US\$4.08 million (equivalent to approximately HK\$32.10 million), the details of which were set out in the announcement of the Company dated 18 April 2019;
- (c) a formal agreement dated 17 May 2019 and a conditional provisional agreement dated 28 March 2019 entered into between Precious Investments Limited, an indirect wholly-owned subsidiary of the Company, as the vendor, and Gloryway Capital Investment Limited, as the purchaser, in relation to the disposal of the property located at Sai Yeung Choi Street South, Kowloon at a consideration of HK\$102.8 million subject to the existing lease expiring on 31 January 2022, the details of which were set out in the announcement of the Company dated 28 March 2019 and the circular dated 24 May 2019;
- (d) a conditional provisional agreement dated 9 May 2019 entered into between Guidepost Investments Limited (“**Guidepost**”), an indirect wholly-owned subsidiary of the Company, as the vendor, and Rich Faith Holdings Limited, as the purchaser, in relation to the disposal of the entire issued share capital of, and the assignment of the shareholder loan in, Shiny World Investment Limited, an indirect wholly-owned subsidiary of the Company, holding a retail shop at a consideration of HK\$52.8 million, the details of which were set out in the announcement of the Company dated 9 May 2019;
- (e) a tenancy agreement dated 2 May 2019 entered into between Wai Yuen Tong (Retail) Limited, an indirect subsidiary of the Company, as the tenant, and Vincent Investments, as the landlord, in respect of the lease of a property located at Nathan Road which has a total value of the right of use of approximately HK\$12.06 million,

for a term of three years commencing from 1 May 2019 and expiring on 30 April 2022 for a monthly rental of HK\$0.38 million (exclusive of rates and management charge), the details of which were set out in the announcement jointly issued by the Company and Wang On Properties Limited dated 2 May 2019;

- (f) a conditional provisional agreement dated 30 April 2019 entered into between Guidepost, as the vendor, and an individual person, as the purchaser, in relation to the disposal of the entire issued share capital of, and the assignment of the shareholder loan in, Wang To Investments Limited, an indirect wholly-owned subsidiary of the Company, holding a retail shop at a consideration of HK\$47.0 million, the details of which were set out in the announcement of the Company dated 30 April 2019;
- (g) a subscription form dated 18 April 2019 and executed by Key High Limited (“**Key High**”), an indirect wholly-owned subsidiary of the Company, and accepted by Rockpool Capital SPC in respect of the investment of an aggregate of US\$7.5 million in Class C Shares in Rockpool Alpha Credit Strategy SP, a segregated portfolio created by Rockpool Capital SPC, together with a related side letter dated 18 April 2019 entered into between, among others, Trade Capture Investments Limited, Key High and Rockpool Capital SPC, the details of which were set out in the announcement of the Company jointly issued with WOG dated 18 April 2019;
- (h) a conditional provisional sale and purchase agreement dated 18 April 2019 and a binding supplemental agreement dated 19 April 2019 entered into between Sky Success Limited (“**Sky Success**”), an indirect wholly-owned subsidiary of the Company, as the vendor, and Asia Bright Enterprises Limited, as the purchaser, in relation to the disposal of the property located at To Kwa Wan Road at a consideration of HK\$60.5 million and a licence agreement dated 18 April 2019 entered into between Sky Success and the purchaser for the grant of a right to Sky Success to use certain part of the shop for a term of 12 months commencing from the date of completion of such disposal (i.e. on 28 June 2019) by setting aside HK\$6.05 million as a security deposit which will be refunded to Sky Success upon delivery of vacant possession of such property to the purchaser, the details of which were set out in the announcement of the Company dated 19 April 2019;
- (i) a conditional provisional sale and purchase agreement dated 28 February 2019 entered into between Guidepost, as the vendor, and individual third parties, as the purchaser, in relation to the disposal of the entire issued share capital of, and the assignment of the shareholder loan of, Union Target Limited holding a retail property at a consideration of HK\$53,088,000, the details of which were set out in the announcement of the Company dated 28 February 2019;
- (j) a loan agreement dated 18 September 2018 entered into between Able Trend Limited (“**Able Trend**”), an indirect wholly-owned subsidiary of the Company, as the lender, and EOG, as the borrower, pursuant to which Able Trend agreed to grant an unsecured revolving credit facility of not exceeding a sum of HK\$65.0 million at an interest rate

of 7.0% per annum for a term of 36 months commencing from 18 September 2018, the details of which were set out in the announcement of the Company dated 18 September 2018; and

- (k) a sale and purchase agreement dated 23 August 2018 entered into between Super Treasure Holdings Limited, an indirect wholly-owned subsidiary of CAP, as the vendor, and an individual third party, as the purchaser, in relation to the disposal of the entire issued share capital of, and the assignment of the shareholder loan of, Jackmax Investment Limited holding a parcel of land at a consideration of RMB78 million (equivalent to approximately HK\$89.6 million), the details of which were set out in the announcement of CAP dated 23 August 2018.

8. EXPERTS AND CONSENTS

The following is the qualifications of the experts whose statements have been included in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants
Alliance Capital Partners Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Asset Appraisal Limited	an independent professional valuer
RHL Appraisal Limited	an independent professional valuer
LCH (Asia-Pacific) Surveyors Limited	an independent professional valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or opinion or report or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the above experts had not had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts had not had any direct or indirect interests in any assets which have been, since 31 March 2020 (being the date on which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

9. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3101, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Suite 3101, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any Business Day from the date of this circular up to and including 26 August 2020:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 8 to 23 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 26 to 48 of this circular;
- (d) the report on the unaudited pro forma consolidated financial information of the Group issued by Ernst & Young, the text of which is set out in Appendix III to this circular;
- (e) the valuation reports issued by Asset Appraisal Limited, the texts of which are set out in Appendices IVA, IVB and IVC to this circular;
- (f) the valuation report issued by RHL Appraisal Limited, the text of which is set out in Appendix IVD to this circular;
- (g) the valuation report issued by LCH (Asia Pacific) Surveyors Limited, the text of which is set out in Appendix IVA to this circular;
- (h) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix;

- (i) the letters of consent referred to in the paragraph headed “Experts and Consents” in this Appendix;
- (j) the annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020;
- (k) the annual reports of WOG for the three financial years ended 31 March 2018, 2019 and 2020; and
- (l) this circular.

NOTICE OF THE SGM



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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Wai Yuen Tong Medicine Holdings Limited (the “Company”) will be held at Grand Ballroom, Lower Ground Level, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong on Wednesday, 26 August 2020 at 11:30 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

“**THAT**

- (a) the effective disposal by the Company of 161,718,625 ordinary share(s) of HK\$0.01 each (“**EOG Share(s)**”) in the share capital of Easy One Financial Group Limited (“**EOG**”) held by the Company or its subsidiaries or any such number of EOG Shares representing the Company’s entire holding in EOG through the cancellation of all such EOG Shares in exchange for Caister Limited (i) transferring to the Company eight (8) ordinary shares of HK\$0.01 each (“**WOG Shares**”) in the share capital of Wang On Group Limited; and (ii) paying to the Company HK\$0.3 per EOG Share (and the resultant acquisition by the Company of the WOG Shares) (the “**WYT Disposal**”), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the directors of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the WYT Disposal 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, 24 July 2020

* For identification purpose only

NOTICE OF THE SGM

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. The register of members of the Company will be closed from Tuesday, 18 August 2020 to Monday, 24 August 2020, both dates inclusive, during which period no transfer of shares of the Company (“**Shares**”) will be registered. In order to be entitled to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates and properly completed and signed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 17 August 2020.
2. Any member of the Company (“**Member**”) entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a Member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude Members from attending and voting at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked. The record date for the determination of the entitlement to attend and vote at the SGM will be the close of business on Thursday, 20 August 2020.
5. Where there are joint holders of any shares, any one of such holders may vote at the SGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the SGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holders.
6. The above resolution will be voted by way of a poll at the SGM.