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

If you have sold or transferred all your shares in Wang On Properties Limited 宏安地產有限公司, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE INTEREST IN STAR MORAL LIMITED**

A letter from the Board is set out on pages 4 to 10 of this circular.

The transactions being the subject matter of this circular have been approved by written shareholders' approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

23 September 2022

** For identification purpose only*

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DEFINITIONS

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

“Announcement”	the joint announcement dated 8 November 2021 jointly issued by WOG and the Company in relation to, among other things, the formation of the joint venture in respect of the JV Company to engage in the acquisition of residential properties in Hong Kong within certain Investment Criteria as agreed with the APG JV Partner for development and re-development for sale
“APG JV Partner”	Stichting Depository APG Strategic Real Estate Pool, the depository of the Pool
“associates”, “connected persons” and “percentage ratio”	each has the meaning as ascribed to it under the Listing Rules
“Bank Loan”	a loan granted in favour of the Target Company by a third-party bank in Hong Kong for the purpose of, among other things, financing the acquisition of the Seed Project
“Bank Loan Securities”	the security documents in relation to the Bank Loan entered into by the Target Company in favour of the relevant bank (including, among others, a mortgage over the Seed Project)
“Board”	the board of the Directors
“Buyer”	Sky Plaza Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the JV Company
“Company”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243) and a 75%-owned listed subsidiary of WOG
“Completion”	completion of the Disposal pursuant to the Sale and Purchase Agreement
“Completion Date”	the date of completion of the Disposal as referred to in the section headed “The Sale and Purchase Agreement — Completion” in the letter from the Board in this circular
“Consideration”	has the meaning as defined in the section headed “The Sale and Purchase Agreement — Consideration” in the letter from the Board in this circular

DEFINITIONS

“Director”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the assignment of the Shareholder’s Loan by the Seller to the Buyer pursuant to the Sale and Purchase Agreement
“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 PRC
“Investment Criteria”	the investment criteria as the Group and the APG JV Partner may from time to time agree with reference to the size and projected return of the projects for sale, which currently includes residential properties in urban locations in Hong Kong with a project site and gross floor area of at least 3,500 square feet and at least 30,000 square feet, respectively, but excluding properties acquired from certain sources or obtained through certain procedures, including through government tender, further details of which are set out in the Announcement
“JV Company”	Giant Harmony Limited, a company incorporated in Hong Kong with limited liability and an indirect 50%-owned joint venture of the Company
“Latest Practicable Date”	20 September 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value”	the total assets of the Target Company minus total consolidated liabilities of the Target Company (other than the liability in respect of the Shareholder’s Loan and the Bank Loan)
“Pool”	has the meaning as defined in the section headed “Information on the Buyer and the JV Company” in the letter from the Board in this circular
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

DEFINITIONS

“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 September 2022 entered into between the Seller and the Buyer in relation to the Disposal
“Sale Share”	one issued ordinary share of the Target Company, representing the entire issued share capital of the Target Company legally and beneficially owned by the Seller prior to Completion
“Seed Project”	the residential and commercial units located at Nos. 128-130 Main Street, Ap Lei Chau, Hong Kong
“Seller”	Sky Admiral Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Shareholder’s Loan”	the shareholder’s loan(s) owing by the Target Company to the Seller as at the Completion Date, being unsecured, interest free shareholder’s loan(s) repayable on demand, amounting to approximately HK\$315,537,000 as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target Company”	Star Moral Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Seller prior to Completion and the sole legal and beneficial owner of the Seed Project
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“%”	per cent

LETTER FROM THE BOARD

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

Executive Directors:

Mr. Tang Ho Hong,
(Chief Executive Officer)
Ms. Ching Tak Won Teresa
Ms. Wong Chin Han

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Li Wing Sum Steven
Mr. Sung Tze Wah
Sr Dr. Leung Tony Ka Tung

Head office and principal

place of business in Hong Kong:
Suite 3201, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

23 September 2022

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE ENTIRE INTEREST IN STAR MORAL LIMITED**

INTRODUCTION

Reference is made to the announcement dated 1 September 2022 jointly issued by the Company and WOG in relation to the Disposal.

The purpose of this circular is to provide you with, among other things, the details of the Disposal as required under the Listing Rules.

LETTER FROM THE BOARD

BACKGROUND

Reference is made to the Announcement of the Company and WOG dated 8 November 2021 in relation to, among other things, the formation of the joint venture in respect of the JV Company (an indirect 50%-owned joint venture of the Company) to engage in the acquisition of residential properties in Hong Kong within certain Investment Criteria as agreed with the APG JV Partner (being the owner of the remaining 50% interest in the JV Company) for development and re-development for sale.

The Target Company is an indirect wholly-owned subsidiary of the Company and the sole owner of the Seed Project, the acquisition of which has recently been completed by the Group. The boards of directors of the Company and the JV Company have both agreed that this project will fall within the Investment Criteria. On 1 September 2022, the Seller (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Buyer in relation to the disposal of the Seed Project to the Buyer, pursuant to which the Seller conditionally agreed to sell, and the Buyer conditionally agreed to purchase, (a) the entire issued share capital of the Target Company (i.e. the Sale Share); and (b) the shareholder's loan owing by the Target Company to the Seller as at the Completion Date (i.e. the Shareholder's Loan), at the aggregate Consideration of approximately HK\$554,817,000 (subject to adjustment) subject to the terms of the Sale and Purchase Agreement.

THE SALE AND PURCHASE AGREEMENT

Date

1 September 2022

Parties

- (i) The Seller, an indirect wholly-owned subsidiary of the Company, as seller
- (ii) The Buyer, a direct wholly-owned subsidiary of the JV Company, as buyer

The JV Company is owned as to 50% indirectly by the Company and 50% by the APG JV Partner. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the APG JV Partner and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Seller has agreed to sell, and the Buyer has agreed to buy, the Sale Share, representing the entire issued share capital of the Target Company, and the Shareholder's Loan owing by the Target Company to the Seller. The Sale Share is sold free from encumbrances save for the Bank Loan Securities.

LETTER FROM THE BOARD

The Target Company directly holds 100% legal and beneficial ownership of the Seed Project. The Seed Project is sold on an “as-is” basis free from encumbrances save for certain building orders and the Bank Loan Securities.

Consideration

The consideration for the Target Company (the “**Consideration**”) shall be an initial sum of approximately HK\$554,817,000 payable to the Seller on Completion in cash. The Consideration shall be adjusted such that an amount equal to the difference between the initial sum for the Target Company and the Net Asset Value shall be added to (if the Net Asset Value as at Completion is higher than the initial sum) or deducted from (if the Net Asset Value as at Completion is lower than the initial sum) the Consideration.

The Consideration was determined based on arm’s length negotiations between the parties with reference to the Group’s investment cost in respect of the Seed Project. As the redevelopment of the Seed Project has not yet commenced, the directors of both the Company and WOG consider that it is fair and reasonable to determine the Consideration for the Target Company based on the investment cost, comprising principally of the cost of acquisition of the Seed Project incurred and estimated to be required for completing the acquisition of the Seed Project, including but not limited to cost of properties in the amount of approximately HK\$480,755,000, construction and legal costs, consultancy fees and interest expenses, since January 2022, together with other prepaid stamp duty and expenses to be incurred up to Completion, instead of the market value of the Seed Project.

Condition precedent

Completion is conditional upon the approval by the Shareholders and the shareholders of WOG for the Seller to enter into the Sale and Purchase Agreement having been obtained, and/or any other requirements required to be fulfilled under the Listing Rules before Completion having been fulfilled.

If the condition precedent set out above is not fulfilled on or before the date falling within 6 months from the date of the Sale and Purchase Agreement (or such later date as the parties may agree in writing), the Sale and Purchase Agreement shall terminate automatically.

As at the Latest Practicable Date, the condition precedent set out above has not been fulfilled, save that the Company has obtained a written shareholders’ approval from Earnest Spot Limited, the controlling shareholder of the Company holding 11,400,000,000 Shares, representing 75% of the total issued Shares, as at the Latest Practicable Date, in lieu of holding a special general meeting to approve the Sale and Purchase Agreement and the Disposal in accordance with Rule 14.44 of the Listing Rules.

LETTER FROM THE BOARD

Completion

Completion shall take place following the satisfaction of the condition precedent set out above or on such other date as agreed between the parties (the “**Completion Date**”).

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

INFORMATION ON THE TARGET COMPANY AND THE SEED PROJECT

The Target Company is incorporated in Hong Kong with limited liability for property holding purpose with no other major assets besides its direct interests in the Seed Project. The Target Company is an indirect wholly-owned subsidiary of the Company prior to Completion.

The Seed Project comprises the residential and commercial units located at Nos. 128-130 Main Street, Ap Lei Chau, Hong Kong, with a total gross floor area of approximately 36,800 square feet. A wholly-owned subsidiary of the Company will be retained as the asset manager of the Seed Project to provide property asset management services to the Buyer and its subsidiaries from time to time for a management fee comprising a fixed fee and a performance fee to be determined with reference to the performance of property projects managed by the asset manager.

The Seed Project is located adjacent to another project (located at Nos. 120, 122, 124 and 126 Main Street, Ap Lei Chau, Hong Kong) which was disposed of by the Group to another wholly-owned subsidiary of the JV Company incidental to the formation of the JV Company, details of which were disclosed in the Announcement as “Seed Project 3”. It is the intention of the Group to re-develop these two seed projects together as residential and commercial/mixed use property for sale through the JV Company.

Financial information of the Target Company

Set out below is a summary of the unaudited financial information of the Target Company for the period from 28 July 2021 (i.e. the date of incorporation of the Target Company) to 31 July 2022:

	For the period from 28 July 2021 (date of incorporation) to 31 July 2022 <i>Approximately HK\$'000 (unaudited)</i>
Net loss before taxation	992
Net loss after taxation	992

The unaudited net liabilities of the Target Company as at 31 July 2022 was approximately HK\$992,000.

LETTER FROM THE BOARD

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Having considered the Consideration and the unaudited Net Asset Value of the Target Company as at 31 July 2022, it is estimated that upon Completion, the total assets of the Group will decrease by approximately HK\$246,360,000. The total liabilities of the Group will decrease by approximately HK\$243,460,000. It is estimated that the net assets of the Group will have a decrease of approximately HK\$2,900,000, being the net effect of the changes of the total assets and total liabilities of the Group.

It is estimated that the Group will record a loss on the Disposal in the amount of approximately HK\$2,900,000, which is calculated based on the initial consideration for the Disposal and taking into account the net liabilities of, and the outstanding loans remaining after repayments made by the Target Company up to and as at 31 July 2022. The actual loss will be subject to review by the auditors of WOG and the Company.

The Consideration in the amount of approximately HK\$554,817,000 is the same as the unaudited Net Asset Value of the Target Company (being the total assets of the Target Company minus the total liabilities of the Target Company other than the liability in respect of the Shareholder's Loan and the Bank Loan) as at 31 July 2022.

The net proceeds in the amount of approximately HK\$551,917,000, arising from the Disposal will be used in part for funding the Group's share of the consideration payable by the Buyer in relation to the Disposal in the amount of approximately HK\$157,768,000 (being 50% of the amount of the Shareholder's Loan as at the Latest Practicable Date), by way of providing its pro rata share of the shareholder's loan to the Buyer. Such shareholder's loan shall be provided in accordance with the terms of the subscription and shareholders' agreement dated 8 November 2021 entered into among the Company, an indirect wholly-owned subsidiary of the Company, the APG JV Partner and the JV Company regarding the formation of joint venture in respect of the JV Company, further details of which are set out in the Announcement. The remaining balance in the amount of approximately HK\$394,149,000 is expected to be used for repayment of the bank loan(s) of the Group as they fall due by the end of November 2022. The total commitment paid by the Group to the Buyer following Completion will increase from approximately HK\$1,064,400,000 to HK\$1,222,168,000.

INFORMATION OF THE SELLER

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

LETTER FROM THE BOARD

INFORMATION ON THE BUYER AND THE JV COMPANY

The Buyer is a company established in Hong Kong with limited liability and is wholly-owned by the JV Company, which is a joint venture owned as to 50% indirectly by the Company and 50% by the APG JV Partner, with an agreed maximum capital commitment of up to HK\$2,334,000,000 from each of the Group and the APG JV Partner. The APG JV Partner is established in the Netherlands and is the depositary of the APG Strategic Real Estate Pool (the “**Pool**”). The Pool is a fund formed for the purpose of collective investments by its participants, all being Dutch pension funds. The Pool is established as a fund for joint account (fonds voor gemene rekening) under Dutch laws. It is not a legal entity but a contractual arrangement between the APG JV Partner, APG Asset Management N.V., a licensed investment manager in the Netherlands as its manager, and its participants which invest in it through subscribing an interest in it.

The JV Company is principally engaged in the acquisition for development and redevelopment of residential properties in Hong Kong which satisfies certain Investment Criteria for sale. Following the completion of the Disposal, the total capital provided by the Group to the JV Company would reach up to HK\$1,222,168,000.

The Buyer is principally engaged in investment holding of the Seed Project and redevelopment for sale.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation and asset management.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposal will allow the Company to operate the Seed Project through the Buyer, which is expected to improve the liquidity of the Company. Accordingly, the Disposal will enable the Company to reallocate its resources into future investment opportunities and pursue other growth opportunities, respectively. The Disposal will also help the Group to expand its property asset management business for additional stable property asset management fee.

The Board considers that the Disposal and the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75% for the Company, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Sale and Purchase Agreement and the Disposal, thus no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Sale and Purchase Agreement and the Disposal. The Company has obtained a written shareholders' approval from Earnest Spot Limited, the controlling shareholder of the Company holding 11,400,000,000 Shares, representing approximately 75% of the total issued Shares, as at the Latest Practicable Date, in lieu of holding a special general meeting to approve the Sale and Purchase Agreement and the Disposal in accordance with Rule 14.44 of the Listing Rules.

RECOMMENDATION

For the reasons set out above, the Directors consider that the Disposal and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolutions if the Company were to convene a special general meeting for the approval of the Disposal and the Sale and Purchase Agreement.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Tang Ho Hong
Executive Director and Chief Executive Officer

1. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2022, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had outstanding bank and other loans of approximately HK\$4,741.9 million, of which bank loans with an aggregate amount of approximately HK\$2,245.3 million were secured by the Group's property, plant and equipment, investment properties and certain rental income generated therefrom, properties held for sale, properties under development and share charges in respect of certain subsidiaries of the Group, which are engaged in property investment and development. The Group provided guarantees to banks in respect of banking facilities extended to joint ventures in an amount not exceeding HK\$450.8 million. Moreover, the Group's lease liabilities amounted to approximately HK\$23.3 million as at 31 July 2022.

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 July 2022, 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.

2. WORKING CAPITAL STATEMENT

Taking into account the financial impact of the Disposal 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.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation and asset management.

With the success of the pre-sales of The Met. Azure in August 2021, the growth momentum and branding of the Group are expected to be further improved. The Group will continue to seek to replenishes its land bank actively for future development by participating in public tender, old building acquisition and land use conversion.

In the property investment sector, the Group will keep seeking new opportunities to broaden its portfolio for a stable recurring income base and input more environmentally sustainable and socially responsible elements into its assets.

The Group continues to pursue its light asset management strategy to expand asset management business with a more profitable, faster and more sustainable operating model. By utilising of expertise in asset enhancements and property developments and keep looking for collaboration with strategic partners and strengthen asset management segments.

The following is the text of a letter 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 Seed Project as at 31 July 2022.



Asset Appraisal Limited
中誠達資產評估顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, HK
香港灣仔軒尼詩道145號安康商業大廈9字樓901室
Tel : (852) 2529 9448 Fax : (852) 3521 9591

23 September 2022

The Board of Directors
Wang On Properties Limited
Suite 3201 32/F
Skyline Tower
No. 39 Wang Kwong Road
Kowloon Bay Kowloon

Dear Sirs,

Re: Valuation of Nos. 128-130 Main Street, Ap Lei Chau, Hong Kong (the “Seed Project”)

In accordance with the instructions from **Wang On Properties Limited** (the “**Company**”) to value the Seed Project held by the Company or its subsidiaries (altogether referred to as the “**Group**”), we confirm that we have carried out inspection of the Seed Project, 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 Seed Project as at **31 July 2022** (the “**Valuation Date**”).

BASIS OF VALUATION

Our valuation of the Seed Project 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*”.

In addition, we have been instructed to value the Seed Project on the basis that it shall be jointly redeveloped with the adjoining development site at Nos. 120-126 Main Street Ap Lei Chau in order to determine the Synergistic Value in excess of the market value of two development sites if they were to be developed individually. Synergistic Value is defined in para. 5.7.1 of the HKIS Valuation Standards (2020 Edition) as “*the result of a combination of two or more assets or interests where the combined value is more than the sum of the separate values*”. As pointed out in para. 5.7.2 of the same standards that if the synergies are only available to one specific buyer, then synergistic value will differ from market value, as the synergistic value will reflect particular attributes of an asset that are only of value to a specific purchaser. The added value above the aggregate of the respective interests is often referred to as “marriage value”.

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Seed Project. However, we have not verified ownerships of the Seed Project 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 determining the Market Value of the Seed Project as development site, we have adopted the Market Approach assuming sale of each of the Seed Project in its existing state by making reference to comparable sales transactions of similar properties as identified on the market. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

The Synergistic Value of the Seed Project has been arrived at on the basis that each of the development sites namely Nos. 120 to 126 Main Street and Nos. 128 to 130 Main Street (the “**Individual Sites**”) as well as the combined development site namely Nos. 120 to 130 Main Street (the “**Combined Site**”) will be developed and completed in accordance with the latest development schemes provided to us by the Company on the assumption that all relevant consents, approvals and licenses from the relevant Government authorities for the development scheme and for the construction work commencement shall be obtained without onerous conditions or delays. The Synergistic Value represents the Market value of the Seed Project plus the difference between the Market Value of the Combined Site and the summation of the Market Values of the Individual Sites.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Individual Sites and the Combined Site 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 ir values.

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 Seed Project nor for any expenses or taxation which may be incurred in holding them. It is assumed that the Seed Project is free from encumbrances, restrictions, outgoings of an onerous nature and any third party rights, which could affect its value.

We have relied to a very considerable extent on the information given by the Company 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 Seed Project but have assumed that the site areas shown on the registered site plan and the floor areas of the proposed development schemes shown on the building drawings handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Seed Project was last inspected on 5 August 2022 by the undersigned. She has inspected the exterior and, where possible, the interior of the building of the Seed Project. However, no structural survey has been made for them. We are not, however, able to report whether the building 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. During the site inspection, she has ascertained the following matters of the Seed Project as at the date of site inspection:

- the general environment and development conditions of the area in which the Seed Project is situated;
- the existing status and the existing uses of the Seed Project as well as the development site situated at Nos. 120-126 Main Street;
- the occupancy of the Seed Project;
- the facilities provided by the Seed Project; and
- the existence of any closure order and resumption order affixed to the Seed Project.

The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from abnormal subsoil movement 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 Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Seed Project, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

All market values stated in this report are denominated in Hong Kong Dollars.

Our valuation certificate is attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra Lau
MHKIS AAPI 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.

VALUATION CERTIFICATE

Property interest held by the Group for future development

The Seed Project	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 July 2022
Nos. 128-130 Main Street Ap Lei Chau Hong Kong	The Seed Project comprises a development site with an area of approximately 3,600 square feet (“sq.ft.”) on which an 8-storey composite building namely Shun Lee Building (the “Existing Building”) was erected as at the Valuation Date.	As confirmed by the Company, the property is currently not subject to any tenancy or licence in favour of any independent third party.	HK\$400,000,000
Ap Lei Chau Inland Lot No. 75 (the “Lot”)	The building was completed in 1981. Ground Floor of the building is being used as shops, 1st Floor is being used as offices and 2nd to 7th Floor are being used for domestic use.		Synergistic Value in Existing State as at 31 July 2022 HK\$500,000,000
	<p>The Seed Project is falling within the early established residential area predominant with medium rise tenement blocks. Through various piecemeal redevelopments, some high-rise residential developments of various ages are found intermingling within the area. Lower floor levels of majority of the buildings are devoted for retail shops. The Ap Lei Chau Waterfront Promenade Community Garden and the Hung Shing Street Rest Garden are abutting to the property at the north. An exit of the MTR (Lei Tung) Station is within easy walking distant from the seed project.</p> <p>The Seed Project is planned to be developed into a 25-storey residential building with shop units on ground floor, residents’ club on 1st Floor and domestic units on 2nd to 25th Floor (please refer to note 42 and 43 below for details of the proposed development scheme).</p> <p>The Lot is held under Conditions of Renewal No. 6195 for a term of 150 years commencing on 3 July 1893 at an annual Government rent of HK\$82.</p>		Please refer to note 44 below

Notes:

1. The registered owner of Shop No. 1 on Ground Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED, a wholly-owned subsidiary of the Company registered via memorial no. 22080501240020 dated 11 July 2022.
2. The registered owner of Shop No. 2 on Ground Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240035 dated 11 July 2022.
3. The registered owner of Shop No. 3 on Ground Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240046 dated 11 July 2022.
4. The registered owner of Shop No. 4 on Ground Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240056 dated 11 July 2022.
5. The registered owner of Shop No. 5 on Ground Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240062 dated 11 July 2022.
6. The registered owner of Shop No. 6 on Ground Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240074 dated 11 July 2022.
7. The registered owner of Office 1 to 4 on 1st Floor of the Existing Building (4/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240086 dated 11 July 2022.
8. The registered owner of Flat No. 1 on 2nd Floor and Flat Roof No. 1 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240097 dated 11 July 2022.
9. The registered owner of Flat No. 2 on 2nd Floor and Flat Roof No. 2 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240112 dated 11 July 2022.
10. The registered owner of Flat No. 3 on 2nd Floor and Flat Roof No. 3 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240133 dated 11 July 2022.
11. The registered owner of Flat No. 4 on 2nd Floor and Flat Roof No. 4 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240151 dated 11 July 2022.
12. The registered owner of Flat No. 5 on 2nd Floor and Flat Roof No. 5 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240166 dated 11 July 2022.
13. The registered owner of Flat No. 1 on 3rd Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240175 dated 11 July 2022.
14. The registered owner of Flat No. 2 on 3rd Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240183 dated 11 July 2022.
15. The registered owner of Flat No. 3 on 3rd Floor, Flat Nos. 3 and 5 on 5th Floor, Flat No. 3 on 6th Floor of the Existing Building (4/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240193 dated 11 July 2022.
16. The registered owner of Flat No. 4 on 3rd Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240202 dated 11 July 2022.

17. The registered owner of Flat No. 5 on 3rd Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240215 dated 11 July 2022.
18. The registered owner of Flat No. 1 on 4th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240223 dated 11 July 2022.
19. The registered owner of Flat No. 2 on 4th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240235 dated 11 July 2022.
20. The registered owner of Flat No. 3 on 4th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240246 dated 11 July 2022.
21. The registered owner of Flat No. 4 on 4th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240255 dated 11 July 2022.
22. The registered owner of Flat No. 5 on 4th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240267 dated 11 July 2022.
23. The registered owner of Flat No. 1 on 5th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240273 dated 11 July 2022.
24. The registered owner of Flat No. 2 on 5th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240293 dated 11 July 2022.
25. The registered owner of Flat No. 4 on 5th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240311 dated 11 July 2022.
26. The registered owner of Flat No. 1 on 6th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240324 dated 11 July 2022.
27. The registered owner of Flat No. 2 on 6th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240337 dated 11 July 2022.
28. The registered owner of Flat No. 4 on 6th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240354 dated 11 July 2022.
29. The registered owner of Flat No. 5 on 6th Floor of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240367 dated 11 July 2022.
30. The registered owner of Flat No. 1 on 7th Floor and Roof No. 1 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240371 dated 11 July 2022.
31. The registered owner of Flat No. 2 on 7th Floor and Roof No. 2 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240382 dated 11 July 2022.
32. The registered owner of Flat No. 3 on 7th Floor and Roof No. 3 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240397 dated 11 July 2022.
33. The registered owner of Flat No. 4 on 7th Floor and Roof No. 4 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080900660016 dated 25 July 2022.
34. The registered owner of Flat No. 5 on 7th Floor and Roof No. 5 of the Existing Building (1/40th share of the Lot) is STAR MORAL LIMITED registered via memorial no. 22080501240405 dated 11 July 2022.

35. As provided in the Conditions of Renewal No. 6195, the Lot is subject to the following salient land grant conditions:
- 35.1 the Lot shall not be used for industrial purposes and no factory building shall be erected thereon; and
- 35.2 no house shall have a frontage of less than 1/3 of its depth.
36. As revealed by the Memo (Ref.: L.S.O. 8/5134/57) issued by the Government on 10 June 1981, it was confirmed that all the General and Special Conditions contained in the Conditions of Renewal No. 6195 have been complied with to the satisfaction of the P.W.D. and other departments concerned.
37. The Existing Building is subject to Deed of Mutual Covenant registered via memorial no. UB218029 dated 15 October 1981.
38. The Seed Project is subject to a Mortgage and an Assignment of Sale Proceeds and Rental Proceeds in favour of The Hongkong and Shanghai Banking Corporation Limited respectively registered via memorial nos. 22080501240412 and 22080501240424 both dated 11 July 2022.
39. Flat No. 4 on 2nd Floor and Flat Roof No. 4 of the Existing Building is subject to the Superseding Notice No. WNZ/U01-03/0011/04 under S.24C(1) of the Buildings Ordinance issued by the Building Authority on 16 December 2010 and is registered via memorial no. 11100401310060.
40. Flat No. 5 on 2nd Floor and Flat Roof No. 5 of the Existing Building is subject to the Notice No. WNZ/U01-03/0005/04 under S.24C(1) of the Buildings Ordinance issued by the Building Authority on 22 March 2007 and is registered via memorial no. 11012000770340.
41. The property falls within an area zoned “Residential (Group A)2” under the Approved Aberdeen & Ap Lei Chau Outline Zoning Plan No. S/H15/33 gazetted on 31 August 2018 with a building height restriction of 85 metres (or approximately 279 feet) above the Principal Datum for land area less than 400 square metres (or 4,305.6 sq.ft.).
42. According to the building plans as approved by the Building Authority on 12 May 2021 (the “**ABP**”) and the development scheme prepared by the architect of the Company for Nos. 120-126 Main Street (the “**Individual Site Scheme**”), the total gross floor area (“**GFA**”) inclusive of exempted area of the proposed development on Nos. 120-126 Main Street is approximately 37,548 sq.ft. (of which 35,333 square feet is attributable to domestic portion and 2,215 sq.ft. is attributable to non-domestic portion). As confirmed by the Company, the Individual Site Scheme is applicable to the Seed Project such that its proposed redevelopment shall have the same GFA as that of the redevelopment on Nos. 120-126 Main Street. Hence, the redevelopment of the two Individual Sites shall result in a total GFA inclusive of exempted area of 75,096 sq.ft. if they are to be developed individually. According to the development scheme prepared by the architect of the Company for the Combined Site namely Nos. 120-130 Main Street (the “**Combined Site Scheme**”), the total GFA of the redevelopment is approximately 74,690 sq.ft. (of which 69,003 sq.ft. is attributable to domestic portion and 5,687 sq.ft. is attributable to the non-domestic portion).

43. As revealed from the ABP, the Individual Site Scheme and the Combined Site Scheme, there is improvement on floor area efficiency leading to an increment in total saleable area (“SA”) of both domestic and non-domestic portion of the redevelopment if the Combined Site Scheme rather than the Individual Site Scheme is to be implemented:

	The Seed Project		Total (1) + (2) = (3) (sq. ft.)	Nos. 120-130 Main Street (4) (sq. ft.)	Increment (4) – (3) = (5) (sq. ft.)	Increment (5) ÷ (2) × 100%
	Nos. 120-126 Main Street (1) (sq. ft.)	Nos. 128-130 Main Street (2) (sq. ft.)				
	Individual Site Scheme			Combined Site Scheme		
SA of domestic portion	26,833	26,833	53,666	58,936	5,270	19.64%
SA of non-domestic portion (G/F Shop)	1,741	1,741	3,482	4,787	1,305	74.96%
SA of non-domestic portion (1/F Clubhouse)	463	463	926	2,907	1,981	427.86%
Total SA	29,037	29,037	58,074	66,630	8,556	29.47%
Total GFA	37,548	37,548	75,096	74,690	n/a	n/a
Floor Area Efficiency (SA ÷ GFA) × 100%	77.33%	77.33%	77.33%	89.21%	n/a	11.88%

44. The Synergistic Value of the Seed Project of HK\$500,000,000 is only available to one specific buyer namely the owner of the development site at Nos. 120-126 Main Street who can opt to proceed with the redevelopment either on the Individual Site Scheme or the Combined Site Scheme after acquiring the Seed Project.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules.

(b) Substantial shareholders' interest

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Long positions in the Shares

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital (%) (Note c)
WOG	Interest of controlled corporation (Note a)	11,400,000,000	75
Mr. Tang Ching Ho	Other interest (Note b)	11,400,000,000	75
Ms. Yau Yuk Yin	Other interest (Note b)	11,400,000,000	75

Notes:

- (a) WOG held the entire issued share capital of Wang On Enterprises (BVI) Limited (“WOG”) which in turn held the entire issued share capital of Earnest Spot Limited. Earnest Spot Limited directly held 11,400,000,000 Shares. Under the SFO, each of WOG and WOG was deemed to be interested in all the aforesaid Shares held by Earnest Spot Limited for the sole purpose of Part XV of the SFO.
- (b) Under the SFO, Mr. Tang Ching Ho was deemed to be interested in approximately 48.69% of the total issued share capital of WOG through (i) his personal interest; (ii) his spouse’s interest in WOG; (iii) his corporate interest via Caister Limited, a corporation controlled by him; and (iv) his interest being an appointer of a discretionary trust, namely Tang’s Family Trust. Ms. Yau Yuk Yin, spouse of Mr. Tang Ching Ho, was also deemed to be interested in approximately 48.69% of the total issued share capital of WOG through (i) her personal interest; (ii) Mr. Tang Ching Ho’s interest in WOG; and (iii) being a beneficiary of the Tang’s Family Trust. Therefore, each of Mr. Tang Ching Ho and Ms. Yau Yuk Yin were deemed to be interested in all 11,400,000,000 Shares held by WOG for the sole purpose of Part XV of the SFO.
- (c) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge 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 interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS’ INTERESTS IN THE GROUP’S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 March 2022 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group was not engaged in any litigation or claims of material importance, and so far as the Directors are aware, no litigation or claims of material importance is pending or threatened against the Group.

7. MATERIAL CONTRACTS

Within the two years immediately preceding the date of this circular and up to 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) the Sale and Purchase Agreement;
- (b) a subscription and shareholders' agreement dated 8 November 2021 entered into among the Company, Lucky Dynasty International Limited (the "**WOP JV Partner**", together with the APG JV Partner, the "**JV Partners**"), an indirect wholly-owned subsidiary of the Company, the APG JV Partner and the JV Company, as amended and supplemented by a side letter dated 23 December 2021 entered into among the Company, the JV Partners and the JV Company, in relation to (i) the subscription of one new share in the JV Company by the APG JV Partner at a subscription price of HK\$1.00; (ii) the formation of a joint venture between the JV Partners in relation to the JV Company and (iii) the JV Partners' rights and obligations as shareholders of the JV Company, details of which were set out in the Announcement and the circular of the Company dated 8 December 2021;
- (c) a sale and purchase agreement ("**SPA 1**") dated 28 December 2021 entered into between Oasis Billion Limited ("**Oasis Billion**"), an indirect wholly-owned subsidiary of the Company, as vendor, and the JV Company, as purchaser, in relation to the disposal of the entire issued share capital in Spectrum Delight Limited ("**Spectrum Delight**") and the assignment of the shareholder's loan owing by Spectrum Delight to Oasis Billion for a consideration of HK\$558,824,000 (subject to adjustment in accordance with SPA 1), details of which were set out in the Announcement and the circular of the Company dated 8 December 2021;

- (d) a sale and purchase agreement (“**SPA 2**”) dated 28 December 2021 entered into between More Action Investments Limited (“**More Action**”), an indirect wholly-owned subsidiary of the Company, as vendor, and the JV Company, as purchaser, in relation to the disposal of the entire issued share capital in Pop Prestige Limited (“**Pop Prestige**”) and the assignment of the shareholder’s loan owing by Pop Prestige to More Action for a consideration of HK\$1,066,415,000 (subject to adjustment in accordance with SPA 2), details of which were set out in the Announcement and the circular of the Company dated 8 December 2021;
- (e) a sale and purchase agreement (“**SPA 3**”) dated 28 December 2021 entered into between Treasure South Limited (“**Treasure South**”), an indirect wholly-owned subsidiary of the Company, as vendor, and the JV Company, as purchaser, in relation to the disposal of the entire issued share capital in Surplus Hunter Limited (“**Surplus Hunter**”) and the assignment of the shareholder’s loan owing by Surplus Hunter to Treasure South for a consideration of HK\$451,278,000 (subject to adjustment in accordance with SPA 3), details of which were set out in the Announcement and the circular of the Company dated 8 December 2021;
- (f) a sale and purchase agreement (“**SPA 4**”) dated 28 December 2021 entered into between Vivid Gemini Limited (“**Vivid Gemini**”), an indirect wholly-owned subsidiary of the Company, as vendor, and the JV Company, as purchaser, in relation to the disposal of the entire issued share capital in Sole Champion Limited (“**Sole Champion**”) and the assignment of the shareholder’s loan owing by Sole Champion to Vivid Gemini for a consideration of HK\$924,940,000 (subject to adjustment in accordance with SPA 4), details of which were set out in the Announcement and the circular of the Company dated 8 December 2021;
- (g) a sale and purchase agreement (“**SPA 5**”) dated 18 February 2022 entered into between City Arise Limited (“**City Arise**”), an indirect wholly-owned subsidiary of the Company, as vendor, and the JV Company, as purchaser, as amended and supplemented by a supplemental agreement dated 11 April 2022 entered into among City Arise, the JV Company and Delight Venture Limited, a direct wholly-owned subsidiary of the JV Company, in relation to the disposal of the entire issued share capital in True Promise Limited (“**True Promise**”) and the assignment of the shareholder’s loan owing by True Promise to City Arise for a consideration of HK\$490,732,000 (subject to adjustment in accordance with SPA 5), details of which were set out in the announcement of the Company dated 18 February 2022 and the circular of the Company dated 20 April 2022;

- (h) a subscription agreement dated 23 September 2021, entered into among Treasure Fountain International Limited (“**Treasure Fountain**”), an indirect wholly-owned subsidiary of the Company, Jumbo Holding (BVI) L.P. (“**Jumbo Holding**”), Crystal Castle Ventures Limited (“**Crystal Castle**”), an indirect wholly-owned subsidiary of the Company prior to completion, and the Company, as guarantor for Treasure Fountain and Crystal Castle, in relation to (i) the subscription of one new share in Crystal Castle by Jumbo Holding at a subscription price of US\$1.00; and (ii) the formation of a joint venture between Treasure Fountain and Jumbo Holding in relation to Crystal Castle; and a shareholders’ agreement dated 23 September 2021 entered into among Treasure Fountain, Jumbo Holding and Crystal Castle to govern their rights and obligations as shareholders of Crystal Castle, the details of which were set out in the joint announcement of the Company and WOG dated 23 September 2021;
- (i) a provisional agreement dated 30 July 2021 entered into among Fession Group Limited (“**Fession**”), an indirect wholly-owned subsidiary of the Company, as vendor, O.M. Management Limited as purchaser, and the Company, as Fession’s guarantor, in relation to the disposal of the entire issued share capital in Stadium Holdings Limited (“**Stadium Holdings**”) and the assignment of the shareholder’s loan(s) owing by Stadium Holdings to Fession for a consideration of HK\$515 million (the “**Stadium Holdings Disposal**”) and a formal agreement dated 16 September 2021 in relation to the Stadium Holdings Disposal, details of which were set out in the joint announcement of the Company and WOG dated 30 July 2021 and the circular of the Company dated 23 September 2021;
- (j) a binding term sheet dated 30 March 2021 entered into between the Company and Turbo Holdings Ltd (“**Turbo Holdings**”) in relation to (i) the subscription of one new share in Merry Cottage Ltd. (“**Merry Cottage**”) by Turbo Holdings at a subscription price of US\$1.00; and (ii) the formation of a joint venture between the Company and Turbo Holdings in relation to Merry Cottage; a sale and purchase agreement dated 30 March 2021 entered into between Star Loyal Limited, an indirect wholly-owned subsidiary of Merry Cottage, and Million World Development Limited in relation to the acquisition of 11 shop units and certain lift, lift lobby(ies) and staircase(s) on the ground floor and first floor of THE PARKVILLE (天生樓), which is located at No. 88, Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories, Hong Kong, the details of such binding term sheet and the sale and purchase agreement which were set out in the joint announcement of the Company and WOG dated 30 March 2021; and a supplemental binding term sheet dated 21 June 2021 entered into between the Company, Turbo Holdings, Able Sentry Limited (“**Able Sentry**”) and Stealth Eagle Holdings Limited (“**Stealth Eagle**”), pursuant to which, Solar Ranger Limited, an indirect wholly-owned subsidiary of the Company, Turbo Maltese Investment Limited, Able Sentry and Stealth Eagle shall subscribe for 6,399, 2,999, 335 and 265 shares in Merry Cottage for considerations of US\$6,399, US\$2,999, US\$335 and US\$265, respectively, the details of which were set out in the joint announcement of the Company and WOG dated 21 June 2021; and

- (k) on 3 March 2021, Twist Pioneer Limited, an indirect wholly-owned subsidiary of the Company, received a confirmation of acceptance of its subscription for the 11.95% senior notes due 2023 issued by China South City Holdings Limited (Stock Code: 1668) in the principal amount of US\$5.0 million for a total consideration of approximately US\$4.8 million, the details of which were set out in the announcement of the Company dated 3 March 2021. As disclosed in the Company's announcement dated 28 July 2022, the maturity date of such senior notes has been extended to 9 October 2024.

8. EXPERT AND CONSENT

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

Name	Qualification
Asset Appraisal Limited	Independent professional valuer

As at the Latest Practicable Date, the expert referred to above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

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 3201, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Wong Chin Han. She graduated from The Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration. She is a member of the American Institute of Certified Public Accountants.
- (c) The share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English texts of this circular shall prevail over the Chinese texts in the case of inconsistencies.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.woproperties.com from the date of this circular up to and including 7 October 2022:

- (a) the Sale and Purchase Agreement;
- (b) the valuation report on the Seed Project prepared by Asset Appraisal Limited as set out in Appendix II to this circular; and
- (c) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix.