
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Scheme Document or the Scheme 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 shares in Easy One Financial Group Limited 易易壹金融集團有限公司, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or 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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This Scheme Document appears for information purposes only and does not constitute an invitation or offer to purchase or subscribe for securities of Caister Limited.



CAISTER LIMITED
(Incorporated in the British Virgin Islands with limited liability)

Easy One Financial Group Limited
易易壹金融集團有限公司
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 221)

**(1) PROPOSED PRIVATISATION OF EASY ONE FINANCIAL GROUP LIMITED
BY CAISTER LIMITED BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA)
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
EASY ONE FINANCIAL GROUP LIMITED**

Financial Adviser to Caister Limited



KINGSTON CORPORATE FINANCE

**Independent Financial Adviser to the Independent Board Committee of
Easy One Financial Group Limited
ALTUS CAPITAL LIMITED**

Unless the context otherwise requires, capitalised terms used in this Scheme Document have the meanings set out in Part I of this Scheme Document.

A letter from the EOG Board is set out on pages 23 to 32 of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Scheme Shareholders and the EOG Optionholders in respect of the Proposal and the Option Offer is set out on pages 33 to 34 of this Scheme Document. A letter from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal and the Option Offer is set out on pages 35 to 71 of this Scheme Document. An explanatory statement regarding the Proposal and the Option Offer is set out on pages 72 to 100 of this Scheme Document.

The actions to be taken by the Scheme Shareholders and the EOG Optionholders are set out on pages (i) to (v) of this Scheme Document.

Notices convening the Court Meeting and 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 Tuesday, 8 September 2020 at 9:30 a.m. and 10:00 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively are set out on pages IV-1 to IV-2 and pages V-1 to V-3 of this Scheme Document. Whether or not you will attend the Court Meeting and/or the SGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the SGM, in accordance with the instructions printed on them respectively, and to deposit them at EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than the respective times and dates as stated under the section headed "19. Actions to be Taken" in the explanatory statement in Part VII on pages 72 to 100 of this Scheme Document. The pink form of proxy in respect of the Court Meeting may alternatively be handed to the Chairman of the Court Meeting at the Court Meeting if it is not so deposited and the Chairman shall have absolute discretion as to whether or not to accept it. If you attend and vote at the Court Meeting and the SGM, the authority of your proxy will 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 Court Meeting and the SGM to protect attendants from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending EOG Shareholder or proxy of the Court Meeting and the SGM 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 EOG Shareholder or proxy is required to wear a surgical mask throughout the Court Meeting and the SGM; and
- (iii) no food or drink will be served at the Court Meeting and/or 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 EOG Shareholders, particularly any EOG Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Court Meeting and/or the SGM as a proxy to attend and vote on any of the resolutions, instead of attending the Court Meeting and/or the SGM in person. Physical attendance by an EOG 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 Court Meeting and/or the SGM.

This Scheme Document is issued jointly by Caister Limited and Easy One Financial Group Limited.

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

12 August 2020

IMPORTANT NOTICE AND ACTIONS TO BE TAKEN

ACTIONS TO BE TAKEN BY EOG SHAREHOLDERS

Please refer to the section headed “19. Actions to be Taken” in the explanatory statement in Part VII of this Scheme Document for further information regarding the matters set out below.

Actions to be taken by EOG Shareholders

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the SGM are enclosed with copies of this Scheme Document sent to the EOG Shareholders.

Whether or not you will attend the Court Meeting and/or the SGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the SGM, in accordance with the instructions printed on them respectively, and to deposit them at EOG’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

In order to be valid, the **pink** form of proxy for use in connection with the Court Meeting should be lodged not later than 9:30 a.m. on Sunday, 6 September 2020. The **pink** form of proxy may alternatively be handed to the Chairman of the Court Meeting at the Court Meeting. The **white** form of proxy for use in connection with the SGM must be lodged not later than 10:00 a.m. on Sunday, 6 September 2020. The completion and return of the relevant form of proxy will not preclude you from attending and voting in person at the relevant meeting should you so wish. In such event, the authority of your proxy for that meeting will be deemed to be revoked.

Even if you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the SGM, you will still be bound by the outcome of the Court Meeting and/or the SGM. You are therefore strongly encouraged to cast your vote.

At the Court Meeting, each holder of Scheme Shares (other than HKSCC Nominees Limited), present and voting either in person or by proxy, is entitled to vote all of the Scheme Shares registered in his/her/its name(s) either FOR the Scheme or AGAINST the Scheme, but not some FOR the Scheme and some AGAINST the Scheme.

Each holder of Scheme Shares is only entitled to submit one proxy form for the Court Meeting. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote both FOR and AGAINST the Scheme, the proxy forms will not be accepted. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote either FOR or AGAINST the Scheme but not both FOR and AGAINST the Scheme, the Chairman of the Court Meeting shall have absolute discretion as to whether or not to accept those proxy forms.

IMPORTANT NOTICE AND ACTIONS TO BE TAKEN

Voting at the Court Meeting and the SGM will be taken by poll.

An announcement will be made by EOG in relation to the results of the Court Meeting and the SGM. If all of the requisite resolutions to approve the Scheme are passed at those meetings, further announcement(s) will be made in relation to, among other things, the results of the Court Hearing of the petition to sanction the Scheme, the Effective Date and the date of withdrawal of the listing of the EOG Shares on the Stock Exchange.

Actions to be taken by Beneficial Owners whose EOG Shares are deposited in CCASS

If you are a Beneficial Owner whose EOG Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (i) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such EOG Shares with, a CCASS participant regarding voting instructions to be given to such persons; or
- (ii) arrange for some or all of such EOG Shares to be withdrawn from CCASS and transferred into your own name, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the SGM.

The procedures for voting by the Investor Participants and other CCASS Participants with respect to EOG Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

Actions to be taken by Beneficial Owners whose EOG Shares are held by a Registered Owner other than HKSCC Nominees Limited

Except as required by law, no person shall be recognised by EOG as holding any EOG Shares on trust.

If you are a Beneficial Owner whose EOG Shares are registered in the name of a nominee, trustee, depositary or any other authorised custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the EOG Shares beneficially owned by you should be voted at the Court Meeting and/or the SGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the SGM personally, you should:

- (i) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the SGM and, for such purpose, the Registered Owner may appoint you as its proxy; or

IMPORTANT NOTICE AND ACTIONS TO BE TAKEN

- (ii) arrange for some or all of the EOG Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the SGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the SGM in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the SGM, any such Beneficial Owner should comply with the requirements of such Registered Owner.

ACTIONS TO BE TAKEN BY EOG OPTIONHOLDERS

The Option Offer Letter is being sent to each EOG Optionholder, together with this Scheme Document and a Form of Option Offer Acceptance. EOG Optionholders may also access the Form of Option Offer Acceptance by downloading such document from www.hkexnews.hk. If you are a EOG Optionholder and you wish to accept the Option Offer, you must complete and return the duly completed and executed Form of Option Offer Acceptance to Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and marked "Easy One Financial Group Limited – Option Offer" **by no later than 4:00 p.m. on Monday, 5 October 2020 (or such other date and time as may be notified to the EOG Optionholders by or on behalf of Caister)**. No acknowledgement of receipt of any Form of Option Offer Acceptance or any other document will be given.

You are encouraged to read the instructions and other terms and conditions of the Option Offer in the Option Offer Letter and the Form of Option Offer Acceptance.

EXERCISE YOUR RIGHT TO VOTE

If you are a EOG Shareholder or a Beneficial Owner whose EOG Shares are held by a Registered Owner (including HKSCC Nominees Limited), you are strongly encouraged to exercise your right to vote (in the case of a EOG Shareholder) or to give instructions to the relevant Registered Owner (in the case of a Beneficial Owner) to vote in person or by proxy at the Court Meeting and/or the SGM. If you keep any EOG Shares in a share lending programme, you are encouraged to recall any outstanding EOG Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose EOG Shares are deposited in CCASS, and wish to become a registered holder of such EOG Shares and exercise your right to vote, in person or by proxy, at the Court Meeting and/or the SGM, you should contact your broker, custodian, nominee or other relevant person in advance of the detailed procedures and the latest time for lodging transfers of EOG Shares into your name so as to qualify to attend and vote at the Court Meeting and the SGM, in order to provide such broker, custodian,

IMPORTANT NOTICE AND ACTIONS TO BE TAKEN

nominee or other relevant person with sufficient time to withdraw the EOG Shares from CCASS and register them in your name.

If you are a Registered Owner holding EOG Shares on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

The Independent Board Committee, having considered, among other things, the reasons for, and benefits of, the Proposal and the Option Offer and the terms of the Proposal and the Option Offer and having taken into account the advice of Altus Capital Limited, the Independent Financial Adviser, as set out in the “Letter from the Independent Financial Adviser” in Part VI of this Scheme Document, considers that the terms of the Proposal and the Option Offer are fair and reasonable so far as the Disinterested Scheme Shareholders and the EOG Optionholders are concerned.

NOTICE TO OVERSEAS EOG SHAREHOLDERS AND EOG OPTIONHOLDERS

The making of the Proposal and the Option Offer to certain Scheme Shareholders and EOG Optionholders may be subject to the laws of jurisdictions other than Hong Kong. Scheme Shareholders, Beneficial Owners and EOG Optionholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of Scheme Shareholders, Beneficial Owners and EOG Optionholders to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Proposal or the Option Offer, as the case may be, including obtaining any governmental, exchange control or other consents which may be required, and compliance with other necessary formalities and the payment of any issue, transfer or other taxes due from them in such jurisdictions.

Any action taken by such Scheme Shareholders or Beneficial Owners in respect of the Proposal or by such EOG Optionholders in respect of the Option Offer will be deemed to constitute a representation and warranty from such persons to EOG and Caister that those local laws and requirements have been complied with.

Scheme Shareholders, Beneficial Owners and EOG Optionholders residing in jurisdictions other than Hong Kong should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the EOG Shares or the EOG Options, as the case may be.

Overseas EOG Shareholders, Beneficial Owners and EOG Optionholders are advised to read the section headed “14. Overseas EOG Shareholders and EOG Optionholders” in the explanatory statement in Part VII of this Scheme Document for further information.

IMPORTANT NOTICE AND ACTIONS TO BE TAKEN

NOTICE TO OVERSEAS EOG SHAREHOLDERS AND EOG OPTIONHOLDERS IN THE UNITED STATES

The Proposal relates to the shares of a Bermuda company listed in Hong Kong and is proposed to be made by means of a scheme of arrangement provided for under the laws of Bermuda. The Proposal is subject to the disclosure requirements and practices applicable in Bermuda to schemes of arrangement, which differ from the disclosure and other requirements of US securities laws. Financial information included in this Scheme Document has been prepared in accordance with Hong Kong Financial Reporting Standards and may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with US Generally Accepted Accounting Principles, which differ in certain respects from Hong Kong Financial Reporting Standards.

It may be difficult for Scheme Shareholders or EOG Optionholders (if any) in the US to enforce their rights and any claim arising out of US federal securities laws, since Caister and EOG are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. Scheme Shareholders or EOG Optionholders in the US may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the Proposal or the Option Offer by any Scheme Shareholders or EOG Optionholders, respectively, who are US taxpayers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Scheme Shareholder and EOG Optionholder is encouraged to consult his, her or its independent professional adviser immediately regarding the tax consequences of acceptance of the Proposal or the Option Offer, respectively.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the EOG Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the EOG Group. This Scheme Document may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions and you should not place undue reliance on such forward-looking statements and opinions. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of Caister, EOG, Kingston, Altus Capital Limited, any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal or the Option Offer assumes any obligation to correct or update the forward-looking statements or opinions contained in this Scheme Document.

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In this Scheme Document, the following expressions have the meanings set out below unless the context requires otherwise.

“Accord Power Limited”	a company incorporated in the BVI with limited liability and is interested in approximately 28.68% of the total issued shares of WOG, and is as of the Latest Practicable Date wholly owned by Fiducia Suisse SA in its capacity as the trustee of the Tang’s Family Trust, of which Mr. Tang is the founder
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Announcement Date”	4 May 2020, being the date of the Joint Announcement
“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
“Beneficial Owner(s)”	any beneficial owner(s) of EOG Shares whose EOG Shares are registered in the name of a Registered Owner
“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 the Bermuda Court
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Caister”	Caister Limited, a company incorporated in the BVI with limited liability, all of the issued shares of which are wholly and beneficially owned by Mr. Tang as of the Latest Practicable Date

“Cancellation Consideration”	the consideration per Scheme Share for cancellation of the Scheme Shares pursuant to the Scheme, comprising the Scheme Cash Consideration of HK\$0.30 per Scheme Share and eight (8) Consideration Shares per Scheme Share, which amount would therefore 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 non wholly-owned subsidiary of WYT
“CAP Group”	CAP and its subsidiaries
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant or general clearing participant, a custodian participant or an Investor Participant who may be an individual or joint individuals or a corporation
“Condition(s)”	the condition(s) to the implementation of the Proposal as described in the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of this Scheme Document
“Consideration Shares”	WOG Shares as 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 Hearing”	the hearing of the petition by the Bermuda Court for the sanction of the Scheme
“Court Meeting”	a meeting of the Scheme Shareholders to be convened and held at the direction of the Bermuda Court at which the Scheme (with or without modification) will be voted upon, or any at adjournment thereof

“Disinterested Scheme Shareholder(s)”	Scheme Shareholder(s) other than the Offeror Concert Parties
“Dividend Adjustment”	the amount of any dividend or other distributions made or paid in respect of the Scheme Shares, which Caister reserves the right to deduct from the Scheme Cash Consideration and the Option Cancellation Price after consultation with the Executive
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Bermuda Companies Act
“EOG” or “Company”	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
“EOG Director(s)”	the director(s) of EOG
“EOG Group”	EOG and its subsidiaries
“EOG Option(s)”	share option(s) granted under the EOG Share Option Scheme from time to time and 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 EOG Option(s)
“EOG Share(s)”	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)”	registered holder(s) of EOG Share(s)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof

“External Financing”	a debt facility with an aggregate amount of HK\$178.2 million provided by Kingston Securities Limited in favour of Caister
“Form of Option Offer Acceptance”	the form of acceptance despatched to the EOG Optionholders in connection with the Option Offer
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees Limited”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of EOG which has been established to advise the Disinterested Scheme Shareholders in respect of the Proposal and the EOG Optionholders in respect of the Option Offer
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed by the SFC to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and being the independent financial adviser to the Independent Board Committee in respect of the Proposal and the Option Offer
“Investor Participant(s)”	person(s) admitted to participate in CCASS as an investor participant
“Irrevocable Option Undertakings”	the irrevocable undertakings dated 4 May 2020 given by each of Mr. Chan Chun Hong, Thomas, Ms. Stephanie, Mr. Cheung Wai Kai and Mr. Yeung Kam Cheong to Caister that he/she will not exercise any EOG Options held by him/her from 4 May 2020 up to the close of the offer period (within the meaning of the Takeovers Code) in respect of the Option Offer, and that he/she will accept the Option Offer pursuant to the terms thereof
“Joint Announcement”	the joint announcement published by Caister, WOG, WYT and EOG on 4 May 2020 in relation to, among other things, the Proposal, the Scheme and the Option Offer

“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 and the Option Offer
“Last Trading Day”	4 May 2020, being the last trading day prior to the publication of the Joint Announcement
“Latest Option Exercise Date”	4:30 p.m. on Wednesday, 16 September 2020, being the expected latest time and date upon which the EOG Optionholders must exercise their EOG Options in order to qualify for entitlements to the Cancellation Consideration under the Scheme
“Latest Practicable Date”	7 August 2020, being the latest practicable date prior to the despatch of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meeting Record Date”	Tuesday, 8 September 2020, being the record date for the purpose of determining the entitlement of the EOG Shareholders to attend and vote at the Court Meeting and the SGM, or such other date as may be announced by EOG
“Mr. Tang”	Mr. Tang Ching Ho, the sole director and sole shareholder of Caister and an executive director of WOG and WYT
“Mr. Tang’s spouse”	Ms. Yau Yuk Yin, the spouse of Mr. Tang
“Offeror Concert Party(ies)”	parties acting in concert or presumed to be acting in concert with Caister under the definition of “acting in concert” under the Takeovers Code, including Mr. Tang, Mr. Tang’s spouse, Accord Power Limited, the WOG Group, the WYT Group (including Hearty Limited and Suntech Investments Limited), the EOG Group (including Billion Trader Investments Limited) and Kingston (including Kingston Securities Limited)

“Option Cancellation Price”	the cancellation price per EOG Option payable in cash to the EOG Optionholders pursuant to the Option Offer as described in the section headed “8. The Option Offer” in the explanatory statement in Part VII of this Scheme Document
“Option Offer”	the offer made by or on behalf of Caister to the EOG Optionholders
“Option Offer Letter”	the letter dated 12 August 2020 setting out the terms and conditions of the Option Offer sent separately to the EOG Optionholders, a form of which is set out in Appendix VI to this Scheme Document
“PRC”	the People’s Republic of China, which, for the purposes of this Scheme Document, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of EOG by Caister by way of the Scheme
“Registered Owner(s)”	in respect of a Beneficial Owner, any nominee, trustee, depository or any other authorised custodian or third party whose name is entered in the register of members of EOG as the holder of the EOG Shares in which the Beneficial Owner is beneficially interested
“Relevant Authorities”	competent governments and/or governmental bodies, regulatory bodies, courts or institutions
“Relevant Period”	the period commencing six months preceding the Announcement Date and ending on the Latest Practicable Date
“Scheme”	a scheme of arrangement under Section 99 of the Bermuda Companies Act involving, among other things, the cancellation of all the Scheme Shares and the 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\$0.30 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

“Scheme Document”	this composite scheme document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time
“Scheme Record Date”	4:00 p.m. on Monday, 5 October 2020, being the record date and time for determining entitlements under the Scheme, or such other date and time as may be announced by EOG
“Scheme Share(s)”	EOG Share(s) in issue on the Scheme Record Date As referred to in Condition (c), 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)”	registered holder(s) of Scheme Share(s) as at the Scheme Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of EOG Shareholders (including any adjournment thereof) to be convened and held 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 so cancelled immediately thereafter to Caister and/or its designated wholly-owned subsidiary(ies)
“Stamp Duty Ordinance”	Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“United States” or “US”	The United States of America
“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)
“WOG Board”	the board of directors of WOG
“WOG Directors”	the director(s) of WOG
“WOG Group”	WOG and its subsidiaries
“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)
“WOP”	Wang On Properties 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: 1243), a 75%-owned listed non wholly-owned subsidiary of WOG
“WOP Group”	WOP and its subsidiaries
“WYT”	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), a 58.08%-owned listed non wholly-owned subsidiary of WOG
“WYT Board”	the board of directors of WYT

“WYT Disposal”	the possible effective disposal by WYT 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 WYT the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$48,515,587.50 and 1,293,749,000 Consideration Shares, and the resultant acquisition of the said 1,293,749,000 Consideration Shares
“WYT Group”	WYT and its subsidiaries
“WYT SGM”	a special general meeting (including any adjournment thereof) of the WYT 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
“WYT Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WYT
“WYT Shareholder(s)”	the holder(s) of the WYT Share(s)
“%”	per cent.

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected date of the Court Hearing in Bermuda and the Effective Date, which are the relevant times and dates in Bermuda. Bermuda time is 11 hours behind Hong Kong time.

The following are some of the questions you, as an EOG Shareholder or an EOG Optionholder, may have and the answers to those questions. This section is qualified by, and should be read in conjunction with, this entire Scheme Document, including the Appendices.

1. What is the purpose of this Scheme Document?

The purpose of this Scheme Document is to provide you with information regarding the Proposal, the Scheme and the Option Offer and to give notices of the Court Meeting and the SGM.

2. What are the Court Meeting and the SGM? What is the Court Hearing?

- The Court Meeting is a meeting of the Scheme Shareholders for them to consider and, if thought fit, approve the Scheme.
- When the Court Meeting has concluded or adjourned, the SGM will be held for the purpose of considering and, if thought fit, passing a special resolution to approve the implementation of the Scheme.
- If the requisite approvals for the Scheme are obtained at the Court Meeting and the special resolution is passed at the SGM, the Court Hearing will be held for the Bermuda Court to hear the petition for the sanction of the Scheme.
- The Court Meeting is convened at the direction of the Bermuda Court and the despatch of this Scheme Document (including the notice of the Court Meeting) has been ordered by the Bermuda Court. Therefore, any material change to the terms of the Scheme as contained in this Scheme Document can only be made after a further order by the Bermuda Court is obtained and after obtaining consent from the Executive as necessary, in which case the current expected timetable for completion of the Proposal will likely be postponed.

3. What is the location, date and time of the Court Meeting and the SGM?

- The Court Meeting and the SGM are convened to be held at Grand Ballroom, Lower Ground Level, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong on Tuesday, 8 September 2020 at 9:30 a.m. and 10:00 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned), respectively.

- 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 Court Meeting and the SGM to protect attendants from the risk of infection:
 - (i) compulsory body temperature checks will be conducted for every attending EOG Shareholder or proxy of the Court Meeting and the SGM 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 EOG Shareholder or proxy is required to wear a surgical mask throughout the Court Meeting and the SGM; and
 - (iii) no food or drink will be served at the Court Meeting and/or 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 EOG Shareholders, particularly any EOG Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Court Meeting and/or the SGM as a proxy to attend and vote on any of the resolutions, instead of attending the Court Meeting and/or the SGM in person. Physical attendance by an EOG Shareholder is not necessary for the purpose of exercising voting rights.

4. What vote is required from the EOG Shareholders in order for the Scheme to be approved?

- At the Court Meeting, the applicable approval thresholds with respect to the Scheme are:
 - (a) The approval (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; and

- (b) The approval (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. As at the Latest Practicable Date, the Disinterested Scheme Shareholders held in aggregate 394,713,875 EOG Shares, representing approximately 70.94% of the total issued share capital of EOG.
- At the SGM, the applicable approval threshold with respect to the implementation of the Scheme is 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 SGM.

5. How do I vote?

For EOG Shareholders

- You are strongly encouraged to exercise your right to vote. You may vote in person or by proxy at the Court Meeting and the SGM.
- If you decide to appoint a proxy to attend and vote at the Court Meeting and the SGM on your behalf, you should fill in the relevant form of proxy as enclosed with this Scheme Document:
 - (a) For Court Meeting: **pink** form
 - (b) For SGM: **white** form
- The form(s) of proxy should be lodged with EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by the deadline below:
 - (a) **pink** form: not later than 9:30 a.m. on Sunday, 6 September 2020 or alternatively, it may be handed to the Chairman of the Court Meeting at the Court Meeting
 - (b) **white** form: not later than 10:00 a.m. on Sunday, 6 September 2020

For Beneficial Owners

- If your EOG Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you must, unless you are an Investor Participant, contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such EOG Shares with, a CCASS Participant regarding voting instructions to be given to such persons. You should contact your broker, custodian, nominee or other relevant person in advance of the deadline set by them, in order to provide the broker, custodian, nominee or other relevant person with sufficient time to make arrangements with or provide HKSCC Nominees Limited with instructions in relation to the manner in which your EOG Shares should be voted.
- If your EOG Shares are held upon trust by, and registered in the name of, a Registered Owner (other than the situation where your EOG Shares are deposited in CCASS and therefore registered under the name of HKSCC Nominees Limited), you should contact the Registered Owner and provide him/her/it with instructions or make arrangements with the Registered Owner as to the manner in which your EOG Shares should be voted at the Court Meeting and/or the SGM. Such instructions and/or arrangements should be given or made in advance of the deadline set by the Registered Owner to provide the Registered Owner with sufficient time to complete his/her/its form of proxy accurately and submit it by the latest time for lodgement of such forms of proxy.

6. My EOG Shares are deposited in CCASS. Can I become a registered shareholder and, if so, how?

- If your EOG Shares are deposited in CCASS, you may become a registered shareholder of EOG and have the right to attend and vote in person or by proxy at the Court Meeting and/or the SGM, by withdrawing all or any of your EOG Shares from CCASS and becoming a registered holder of such EOG Shares prior to the latest time for lodging transfers of EOG Shares to qualify for the entitlement to attend and vote at the Court Meeting and the SGM.
- You should contact your broker, custodian, nominee or other relevant person in advance of the detailed procedures and the latest time for lodging transfers of EOG Shares into your name so as to qualify to attend and vote at the Court Meeting and the SGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the EOG Shares from CCASS and register them in your name.

7. Can I change my vote after I have submitted my proxy with voting instructions?*For EOG Shareholders*

- You can revoke your proxy and/or change your voting instructions in three ways:
 - (a) you may notify EOG in writing of the revocation of proxy provided that such notice shall have been received by EOG at least two hours before the commencement of the Court Meeting or the SGM (as the case may be). Any such notice shall be delivered to EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
 - (b) you may complete, date and submit a new form of proxy bearing a later date so that the new form of proxy is received by EOG not later than 48 hours before the time appointed for holding the Court Meeting and/or the SGM (as the case may be). In the case of the **pink** form of proxy in respect of the Court Meeting, you may also hand the new **pink** form of proxy bearing a later date to the Chairman of the Court Meeting (who shall have absolute discretion as to whether or not to accept it) at the Court Meeting; or
 - (c) you may attend and vote at the Court Meeting and/or the SGM in person and in such event, your relevant form of proxy will be deemed to be revoked.

For Beneficial Owners

- You should contact your Registered Owner, broker, custodian, nominee or other relevant person and follow its direction to change your vote or revoke your proxy.

8. Who can vote at the Court Meeting and the SGM?

- At the Court Meeting, all Scheme Shareholders will be entitled to attend and vote on the Scheme. However, as the Offeror Concert Parties are not Disinterested Scheme Shareholders, their votes (representing approximately 29.06% of the total issued share capital of EOG as at the Latest Practicable Date) will not be counted for the purpose of satisfying Condition (b) in the section headed "3. Conditions to the Proposal" in the explanatory statement in Part VII of this Scheme Document.
- At the SGM, all EOG Shareholders will be entitled to attend and vote on the special resolution approving the implementation of the Scheme.

9. What is the Proposal?

- Pursuant to the Proposal, Caister is making a proposal to the Scheme Shareholders to privatise EOG by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act involving the cancellation of all the Scheme Shares and the allotment and issue of new EOG Shares to Caister and/or its designated wholly-owned subsidiary(ies).
- In consideration for such cancellation, each Scheme Shareholder will receive, for each Scheme Share held on the Scheme Record Date, the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$0.30 per Scheme Share and eight (8) Consideration Shares per Scheme Share.
- **The Cancellation Consideration will not be increased and Caister does not reserve the right to do so.**
- On completion of the Proposal, (a) Caister will own (directly or indirectly) 100% of the EOG Shares and (b) the listing of the EOG Shares on the Stock Exchange will be withdrawn.
- The Proposal is conditional upon the satisfaction or valid waiver (as applicable) of certain Conditions as further described in this Scheme Document.

10. What cancellation consideration will I receive under the Proposal for my cancelled Scheme Shares?

- Scheme Shareholders will receive for each Scheme Share held on the Scheme Record Date the Cancellation Consideration comprising the Scheme Cash Consideration of HK\$0.30 per Scheme Share and eight (8) Consideration Shares per Scheme Share. The Scheme Record Date is expected to be 4:00 p.m. on Monday, 5 October 2020.

11. What happens if the Proposal is not approved at the Court Meeting or the SGM or otherwise lapses?

- No EOG Shareholder will receive the Cancellation Consideration and no EOG Optionholder will receive the Option Cancellation Price.
- 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, and none of the Scheme Shares will be cancelled in exchange for the Cancellation Consideration.
- Under the relevant restrictions of the Takeovers Code relating to the making of subsequent offers, if the Proposal does not become unconditional or is withdrawn or lapses, none of Caister and any Offeror Concert Party nor any person who is

subsequently acting in concert with any of them may, within 12 months from the date on which the Proposal is withdrawn or lapses, announce an offer or possible offer for EOG, except with the consent of the Executive.

12. What is the Option Offer?

- Pursuant to the Option Offer, Caister is offering the EOG Optionholders the Option Cancellation Price of HK\$0.444 per EOG Option, being an amount equal to Cancellation Consideration as at the Last Trading Day of HK\$0.924 minus the exercise price of HK\$0.48 per EOG Option.
- The Option Offer is conditional upon the Scheme becoming effective.
- As at the Latest Practicable Date, there are four EOG Optionholders, namely Mr. Chan Chun Hong, Thomas, Ms. Stephanie, Mr. Cheung Wai Kai and Mr. Yeung Kam Cheong holding in aggregate 17,800,000 outstanding EOG Options exercisable into 17,800,000 EOG Shares granted under the EOG Share Option Scheme, with an exercise price of HK\$0.48 per EOG Share. Each of the EOG Optionholders has on 4 May 2020 entered into the Irrevocable Option Undertakings in favour of Caister undertaking, among other things, to accept the Option Offer and not to exercise the EOG Options granted from the date of the Irrevocable Option Undertakings up to the close of the offer period (within the meaning of the Takeovers Code) in respect of the Option Offer.
- To be entitled to the Option Offer, a EOG Optionholder shall tender acceptance of the Option Offer by lodging a validly completed and executed Form of Option Offer Acceptance with Tricor Tengis Limited. You should read the form of the Option Offer Letter in Appendix VI to this Scheme Document carefully.
- Any EOG Optionholder who does not accept the Option Offer will not receive any cash consideration under the Option Offer, and his/her EOG Options will be cancelled on the date immediately after the Effective Date for no consideration.

13. Will I have to pay any fees or commissions?

- If your Scheme Shares are registered in your name as at the Scheme Record Date and the Scheme becomes effective, you will not have to pay brokerage fees or similar expenses in respect of the cancellation of the Scheme Shares concerned.
- If, as at the Scheme Record Date, you own your Scheme Shares through a financial intermediary (such as a broker or nominee), you should contact your financial intermediary for any charges that may apply.

14. I am an overseas EOG Shareholder. What should I do?

- All overseas EOG Shareholders are entitled to vote, and you are strongly encouraged to exercise your right to vote, in person or by proxy, at the Court Meeting and the SGM. The actions you should take are summarised in “Important Notice and Actions to be Taken” on pages i to v of this Scheme Document and the section headed “19. Actions to be Taken” in the explanatory statement in Part VII of this Scheme Document. You should read those sections carefully.
- Overseas EOG Shareholders are advised to read this Scheme Document in its entirety and in particular, the section headed “14. Overseas EOG Shareholders and EOG Optionholders” in the explanatory statement in Part VII of this Scheme Document.

15. What is the position of the Independent Board Committee with regard to the Proposal and the Option Offer?

- The Independent Board Committee, having considered, among other things, the reasons for, and benefits of, the Proposal and the Option Offer and the terms of the Proposal and the Option Offer and having taken into account the advice of the Independent Financial Adviser, as set out in the Letter from the Independent Financial Adviser in Part VI of this Scheme Document, considers that the terms of the Proposal and the Option Offer are fair and reasonable so far as the Disinterested Scheme Shareholders and the EOG Optionholders are concerned.
- Accordingly, the Independent Board Committee recommends that:
 - (a) the Scheme Shareholders vote IN FAVOR OF the resolution to approve the Scheme at the Court Meeting;
 - (b) the EOG Shareholders vote IN FAVOR OF the special resolution to approve the implementation of the Scheme at the SGM; and
 - (c) the EOG Optionholders ACCEPT the Option Offer.
- The attention of the Disinterested Scheme Shareholders and the EOG Optionholders is drawn to the “Letter from the Independent Financial Adviser”, which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

16. When do you expect the Proposal to be completed?

- If the Conditions to the Proposal are satisfied or validly waived (as applicable) on or before Thursday, 17 September 2020 (Bermuda time), the Scheme is expected to become effective on Tuesday, 6 October 2020 (Bermuda time).

- For details of the Conditions, your attention is drawn to the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of this Scheme Document.

17. Who should I call if I have additional questions?

- If you have questions concerning administrative matters, such as dates, documentation and procedures relating to the Proposal, please call (i) EOG’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at +852 2980 1333; or (ii) 2312 8202, between 9:00 a.m. and 6:00 p.m. on Monday to Friday, excluding public holidays.
- The hotline cannot and will not provide advice on the merits of the Proposal or the Scheme or give financial or legal advice. If you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.
- You may also visit EOG’s website at www.easystonefg.com and refer to the enquiry hotlines and email addresses set out therein.

Set out below is the current expected timetable in relation to the Proposal and the Option Offer:

**Hong Kong time
(unless otherwise stated)**

Date of despatch of the Scheme Document and the Option Offer Letter	Wednesday, 12 August 2020
Expected date of the WOG SGM and the WYT SGM	Wednesday, 26 August 2020
Latest time for lodging transfers of EOG Shares to qualify for the entitlement to attend and vote at the Court Meeting and the SGM	4:30 p.m. on Wednesday, 2 September 2020
Closure of the register of members of EOG for determining the entitlement to attend and vote at the Court Meeting and the SGM ⁽¹⁾	from Thursday, 3 September 2020 to Tuesday, 8 September 2020 (both days inclusive)
Latest time for lodging forms of proxy in respect of the Court Meeting ⁽²⁾	9:30 a.m. on Sunday, 6 September 2020
Latest time for lodging forms of proxy in respect of the SGM ⁽²⁾	10:00 a.m. on Sunday, 6 September 2020
Record date for determining the entitlement to attend and vote at the Court Meeting and the SGM, being the Meeting Record Date	Tuesday, 8 September 2020
Court Meeting ⁽³⁾	9:30 a.m. on Tuesday, 8 September 2020
SGM ⁽³⁾	10:00 a.m. on Tuesday, 8 September 2020 (or as soon thereafter as the Court Meeting shall have been concluded or adjourned)
Announcement of the results of the Court Meeting and the SGM, published on the Stock Exchange's website	after 4:30 p.m. and not later than 7:00 p.m. on Tuesday, 8 September 2020

**Hong Kong time
(unless otherwise stated)**

Expected latest time for dealing in EOG Shares on the Stock Exchange	4:10 p.m. on Thursday, 10 September 2020
Latest time for EOG Optionholders to exercise their EOG Options to qualify for the entitlement to the Cancellation Consideration under the Scheme	4:30 p.m. on Wednesday, 16 September 2020
Latest time for lodging transfers of EOG Shares to qualify for the entitlement to the Cancellation Consideration under the Scheme	4:30 p.m. on Wednesday, 16 September 2020
Closure of the register of members of EOG for determining the entitlement of the Scheme Shareholders under the Scheme ⁽⁴⁾	from Thursday, 17 September 2020 onwards
Expected date of court hearing of the petition to sanction the Scheme	Thursday, 17 September 2020 <i>(Bermuda time)</i>
Announcement of the results of the Court Hearing of the petition to sanction the Scheme, the expected Effective Date and the expected date of the withdrawal of the listing of the EOG Shares on the Stock Exchange published on the Stock Exchange's website	no later than 7:00 p.m. on Friday, 18 September 2020
Record date and time for determining (1) the entitlement of the Scheme Shareholders under the Scheme and (2) the entitlement of the EOG Optionholders under the Option Offer, being the Scheme Record Date	4:00 p.m. on Monday, 5 October 2020
Latest time to accept the Option Offer and the closing date of the Option Offer ⁽⁵⁾	4:00 p.m. on Monday, 5 October 2020

**Hong Kong time
(unless otherwise stated)**

Effective Date ⁽⁶⁾	Tuesday, 6 October 2020 <i>(Bermuda time)</i>
Announcement of (1) the Effective Date, (2) the results of the Option Offer and (3) the withdrawal of listing of EOG Shares on the Stock Exchange, published on the Stock Exchange's website	
	Wednesday, 7 October 2020
Withdrawal of listing of EOG Shares on the Stock Exchange becomes effective ⁽⁶⁾	
	4:00 p.m. on Friday, 9 October 2020
Cheques for payment of the Cancellation Consideration despatched to the Scheme Shareholders and certificates for the Consideration Shares to be despatched ⁽⁷⁾	
	on or before Thursday, 15 October 2020
Payment of the Option Cancellation Consideration to the EOG Optionholders ⁽⁸⁾	
	on or before Thursday, 15 October 2020

EOG Shareholders and EOG Optionholders should note that the dates and times specified in the above timetable are subject to change. Further announcement(s) will be made in the event that there is any change to the above timetable.

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected date of the Court Hearing in Bermuda and the Effective Date, which are the relevant times and dates in Bermuda. Bermuda time is 11 hours behind Hong Kong time.

Notes:

- (1) The register of members of EOG will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the EOG Shareholders to attend and vote at the SGM. For the avoidance of doubt, this period of closure is not for determining the Scheme Shareholders who are qualified for entitlement to the Cancellation Consideration under the Scheme.
- (2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the SGM should be completed and signed in accordance with the instructions respectively printed on them and should be lodged with EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than the relevant times and dates stated above. In the case of the **pink** form of proxy in respect of the Court Meeting, it may alternatively be handed to the Chairman of the Court Meeting at the Court Meeting. Completion

and return of a form of proxy for the Court Meeting or the SGM will not preclude a Scheme Shareholder or a EOG Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he, she or it so wishes. In such event, the authority of your proxy will be deemed to be revoked.

- (3) The Court Meeting and the SGM will be held at Grand Ballroom, Lower Ground Level, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong at the times and dates specified above. Please see the notices of the Court Meeting and the SGM set out in Appendices IV and V to this Scheme Document for details.
- (4) The register of members of EOG will be closed from Thursday, 17 September 2020 onwards for the purpose of determining the Scheme Shareholders who are qualified for entitlement to the Cancellation Consideration under the Scheme.
- (5) The duly completed and executed Form of Option Offer Acceptance must be lodged by the EOG Optionholders to Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and marked "Easy One Financial Group Limited – Option Offer" by not later than 4:00 p.m. on Monday, 5 October 2020 (or such other date and time as may be notified to the EOG Optionholders by or on behalf of Caister).
- (6) The Scheme will become effective upon all the Conditions set out in "3. Conditions to the Proposal and the Scheme" in the explanatory statement in Part VII of this Scheme Document having been fulfilled or waived (as applicable). EOG Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective. The withdrawal of listing of EOG Shares will take place following the Scheme becoming effective on the Effective Date and it is expected that the listing of EOG Shares will be withdrawn at 4:00 p.m. on Friday, 9 October 2020. All of the Conditions will have to be fulfilled or waived (as applicable) 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.
- (7) Cheques for the payment of the Cancellation Consideration under the Scheme will be despatched by post at the risk of the recipients to their registered addresses shown in the register of members of EOG as soon as possible following the Effective Date but in any event within seven Business Days after the Effective Date (i.e. on or before Thursday, 15 October 2020).
- (8) Cheques for the payment of the Option Cancellation Consideration under the Option Offer will be sent to the EOG Optionholders at their own risk as soon as possible following the Effective Date but in any event within seven Business Days after the close of the Option Offer (i.e. on or before Thursday, 15 October 2020).



Easy One Financial Group Limited

易易壹金融集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 221)

Executive Directors:

Mr. Chan Chun Hong, Thomas
(Chairman and Managing Director)
Mr. Cheung Wai Kai
Ms. Stephanie

Independent non-executive Directors:

Mr. Sin Ka Man
Mr. Cheung Sau Wah, Joseph, *PMSM*
Mr. Wong Hung Tak, *PMSM*

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

Suite 3202, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

12 August 2020

To the EOG Shareholders and EOG Optionholders

Dear Sir or Madam,

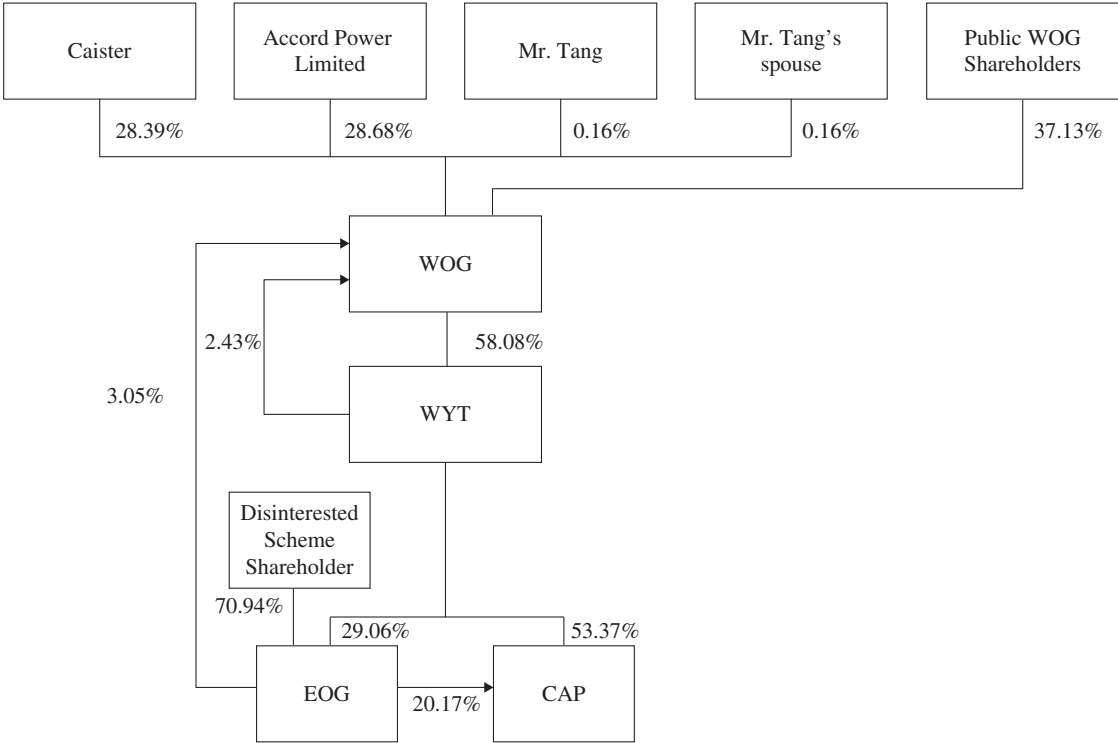
**(1) PROPOSED PRIVATISATION OF EASY ONE FINANCIAL GROUP LIMITED
BY CAISTER LIMITED BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA)**
AND
**(2) PROPOSED WITHDRAWAL OF LISTING OF
EASY ONE FINANCIAL GROUP LIMITED**

1. INTRODUCTION

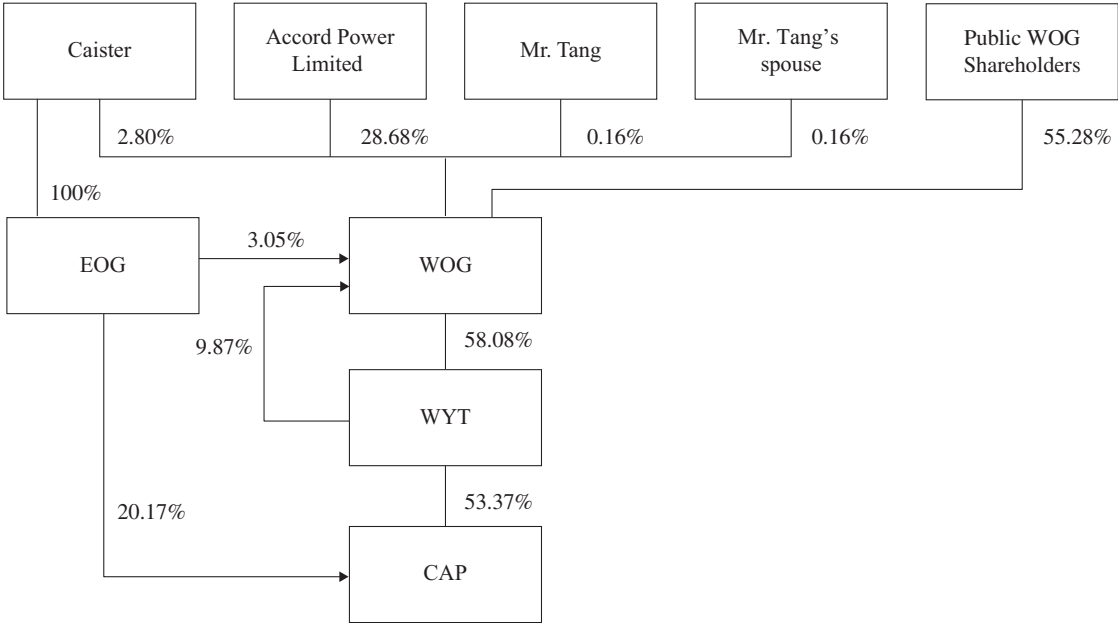
On 4 May 2020, Caister requested the EOG Board to put forward the Proposal to the Scheme Shareholders for the privatisation of EOG by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act. If the Proposal is approved and implemented, (i) EOG will become a direct or indirect wholly-owned subsidiary of Caister; and (ii) the listing of the EOG Shares on the Stock Exchange will be withdrawn.

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

As at the Latest Practicable Date:



Immediately upon completion of the Scheme:



A summary of the WOG Shares directly held by Caister and the Offeror Concert Parties (a) as at the Latest Practicable Date; and (b) 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 (<i>Note 1</i>)	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 WYT, which is indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date) (<i>Note 2</i>)	423,000,000	2.43	432,475,200	2.49
Hearty Limited (an indirect wholly-owned subsidiary of WYT, which is indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date) (<i>Note 2</i>)	–	–	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 (<i>Note 3</i>) (a fellow subsidiary of Kingston, which is the financial adviser to Caister)	540	–	1,116	–
Total	<u>10,938,357,312</u>	<u>62.87</u>	<u>7,780,646,888</u>	<u>44.72</u>

Notes:

- As at the Latest Practicable Date, Accord Power Limited is wholly owned by Fiducia Suisse SA in its capacity as the trustee of the Tang's Family Trust, of which Mr. Tang is the founder.
- Hearty Limited and Suntech Investments Limited are EOG Shareholders holding, respectively, 160,534,225 and 1,184,400 EOG Shares, representing approximately 28.85% and approximately 0.21% of all the issued EOG Shares as at the Latest Practicable Date.
- As at the Latest Practicable Date, Kingston Securities Limited (a fellow subsidiary of Kingston, which is the financial adviser to Caister) held 540 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, WOG will be held by Caister, Accord Power Limited, Mr. Tang, Mr. Tang's spouse, WYT (through its subsidiaries), EOG (through its subsidiary) 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.

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.

The EOG Board has established the Independent Board Committee, comprising all independent non-executive directors of EOG who are not interested in the Proposal, namely, Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak, to make a recommendation to the Scheme Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting and to the EOG Optionholders as to its views on acceptance of the Option Offer. The Independent Board Committee, after taking into account the Independent Financial Adviser's recommendation, recommends that (a) the Scheme Shareholders vote IN FAVOR OF the resolution to approve the Scheme at the Court Meeting; (b) the EOG Shareholders vote IN FAVOR OF the special resolution to approve the implementation of the Scheme at the SGM; and (c) the EOG Optionholders ACCEPT the Option Offer.

EOG has appointed Altus Capital Limited as its Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Option Offer. The Independent Financial Adviser has advised the Independent Board Committee to recommend (a) the Scheme Shareholders to vote IN FAVOR OF the resolution to approve the Scheme at the Court Meeting; (b) the EOG Shareholders to vote IN FAVOR OF the special resolution to approve the implementation of the Scheme at the SGM; and (c) the EOG Optionholders to ACCEPT the Option Offer. Your attention is drawn to the advice and recommendation of the Independent Financial Adviser in Part VI of this Scheme Document.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Scheme and the Option Offer and to give you notices of the Court Meeting and the SGM.

2. THE PROPOSAL

Under the Proposal, it is proposed that on the Effective Date:

- (a) EOG will issue one EOG Share at par to Caister or its designated wholly-owned subsidiary;
- (b) all Scheme Shares held by the Scheme Shareholders will be cancelled in exchange for the payment of the Cancellation Consideration (comprising the Scheme Cash Consideration of HK\$0.30 per Scheme Share and the Consideration Shares on the basis of eight (8) Consideration Shares per Scheme Share);
- (c) immediately after such cancellation, 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);
- (d) EOG will become a direct or indirect wholly-owned subsidiary of Caister; and
- (e) 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.

If, after the Latest Practicable Date and prior to the Effective Date, any dividend or other distributions is made or paid in respect of the Scheme Shares, Caister reserves the right to reduce the Scheme Cash Consideration and the Option Cancellation Price by an amount equal to the amount of such dividend or other distributions after consultation with the Executive. As of the Latest Practicable Date 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 implementation of 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 all the 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 Scheme will lapse and the Proposal will not be implemented.

For details of the Conditions, your attention is drawn to the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of this Scheme Document.

On the basis of 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 and

556,432,500 Scheme Shares in issue as at the Latest Practicable Date, the Scheme Shares are in aggregate valued at approximately HK\$514.1 million.

Assuming that (i) there being no change to the issued share capital in EOG and no further EOG Options are granted from the Latest Practicable Date up to the Scheme Record Date; and (ii) no Dividend Adjustment is made, the amount of cash required for the Scheme is HK\$166,929,750.00, and the amount of cash required for the Option Offer is HK\$7,903,200.00, and 4,451,460,000 Consideration Shares will be transferred as part of the payment of the Cancellation Consideration upon the Scheme becoming effective.

The total maximum cash consideration payable under the Proposal (including the Scheme and the Option Offer) on the basis described above is HK\$174,832,950.00.

Caister has indicated that it intends to finance the cash required for the Proposal and the Option Offer through the External Financing. The External Financing is secured by, among others, a share charge in favour of Kingston Securities Limited over all of the EOG Shares to be owned by Caister after the Scheme becomes effective in accordance with the loan documentation entered into between Caister and Kingston Securities Limited. Caister does not intend that the payment of interest, or repayment of or security for any liability (contingent or otherwise) or such External Financing, will depend to any significant extent on the business of EOG.

Kingston, the financial adviser to Caister, is satisfied that sufficient financial resources are available to Caister for the full implementation of the Proposal and the Option Offer in accordance with their terms.

As stated in the Joint Announcement, 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. As such, EOG Shareholders, EOG Optionholders and potential investors of EOG should be aware that Caister will not increase the Cancellation Consideration and the Option Cancellation Price.

3. THE OPTION OFFER

Your attention is drawn to the section headed “8. The Option Offer” in the explanatory statement in Part VII of this Scheme Document and the form of the Option Offer Letter in Appendix VI to this Scheme Document.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “4. Reasons for and benefits of the Proposal” in the explanatory statement in Part VII of this Scheme Document.

5. INFORMATION ON CAISTER, WOG, WYT AND EOG

For information on Caister, WOG and WYT, your attention is drawn to (i) the section headed “9. Information on Caister, WOG an WYT” in the explanatory statement in Part VII of this Scheme Document, (ii) the financial information of the WOG Group in Appendix I to this Scheme Document; and (iii) the general information in Appendix II to this Scheme Document.

For information on EOG, your attention is drawn to (i) the section headed “10. Information on EOG” in the explanatory statement in Part VII of this Scheme Document; (ii) the financial information of the EOG Group in Appendix I to this Scheme Document; and (iii) the general information in Appendix II to this Scheme Document.

Appendix VII to this Scheme Document sets out the respective valuation of the property interests of the EOG Group (from pages VII-1 to VII-6) and the WOG Group (from pages VII-7 to VII-141) as required under Rule 11 of the Takeovers Code. For easy reference, the respective valuation of the property interests of the EOG Group and the WOG Group as set out in Appendix VII is summarised below, which has been arrived at following the valuation methodology and assumptions as set out in the respective valuation reports.

	Market value in existing state HK\$'million (Note)	Value of property interest attributable to each of the EOG Group, the WYT Group (other than the CAP Group), the WOP Group, the CAP Group and the Remaining WOG Group HK\$'million (Note)
The EOG Group	<u>417.8</u>	<u>417.8</u>
The WOG Group:		
(a) the WYT Group (other than the CAP Group)	1,331.7	1,331.7
(b) the WOP Group	11,715.7	7,670.0
(c) the CAP Group	4,788.0	4,394.4
(d) the WOG Group (other than WYT Group, WOP Group and CAP Group) (the “ Remaining WOG Group ”)	<u>326.6</u>	<u>242.9</u>

Note: adopting a currency exchange rate of RMB1:HK\$1.0862 for illustration purposes.

6. CAISTER'S INTENTION REGARDING THE EOG GROUP

Your attention is drawn to the section headed "5. Caister's intention regarding the EOG Group" in the explanatory statement in Part VII of this Scheme Document. The EOG Board takes note of the intention of Caister in respect of EOG's business and its employees as disclosed, and is willing to render reasonable co-operation with the Offeror which is in the interests of its and the EOG Shareholders as a whole.

7. WITHDRAWAL OF LISTING OF EOG SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

EOG does not intend to retain its listing on the Stock Exchange and will therefore apply to the Stock Exchange for the withdrawal of the listing of the EOG Shares on the Stock Exchange so that such withdrawal is to take place immediately following the Effective Date.

Your attention is drawn to the section headed "11. Share Certificates, Dealings and Listing" in the explanatory statement in Part VII of this Scheme Document.

8. RECOMMENDATIONS

The Independent Board Committee, comprising all independent non-executive directors of EOG who are not interested in the Proposal, namely, Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak, has been established by the EOG Board to make a recommendation to the Scheme Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting and to the EOG Optionholders as to its views on acceptance of the Option Offer.

The Independent Board Committee, having considered (a) the reasons for, and benefits of, the Proposal and the Option Offer and their effects as set out in this Scheme Document; and (b) the terms of the Proposal and the Option Offer and having taken into account the advice of the Independent Financial Adviser and in particular, the factors, reasons and recommendations set out in the letter from the Independent Financial Adviser in Part VI of this Scheme Document, considers that the terms of the Proposal and the Option Offer are fair and reasonable so far as the Disinterested Scheme Shareholders and the EOG Optionholders are concerned.

Accordingly, the Independent Board Committee recommends that (a) the Scheme Shareholders vote in favor of the resolution to approve the Scheme at the Court Meeting; (b) the EOG Shareholders vote in favor of the special resolution to approve the implementation of the Scheme at the SGM; and (c) the EOG Optionholders accept the Option Offer.

Each of Mr. Chan Chun Hong, Thomas, Ms. Stephanie and Mr. Cheung Wai Kai is an EOG Optionholder each holding EOG Options exercisable into 4,600,000 EOG Shares, and has entered into the Irrevocable Option Undertaking undertaking to, among other things, accept the Option Offer. As the Option Offer is conditional upon the Scheme becoming effective, they have a material interest in the Proposal and the Option Offer and accordingly do not express any view regarding the same.

Your attention is drawn to (i) the recommendation of the Independent Board Committee in Part V of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part VI of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

9. COURT MEETING AND SGM

Notices convening the Court Meeting and 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 Tuesday, 8 September 2020 at 9:30 a.m. and 10:00 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned), respectively are set out in Appendix IV and Appendix V to this Scheme Document.

The Bermuda Court has directed the Court Meeting to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme. The Scheme is subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in Conditions (a) and (b) in the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of this Scheme Document.

Following the conclusion or adjournment of the Court Meeting, the SGM will be held for the purpose of considering and, if thought fit, passing a special resolution for the implementation of the Scheme in the manner referred to in Condition (c) in the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of this Scheme Document.

An announcement will be made by EOG in relation to the results of the Court Meeting and the SGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code and will include, among others, (a) the number of votes cast in favor of the Scheme at the Court Meeting and the number of CCASS Participants on whose instructions they are cast; and (b) the number of votes cast against the Scheme at the Court Meeting and the number of CCASS Participants on whose instructions they are cast.

10. ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “19. Actions to be taken” in the explanatory statement in Part VII of this Scheme Document for details of the actions you should take as a EOG Shareholder, as a Beneficial Owner whose EOG Shares are held by a Registered Owner, as a Beneficial Owner whose EOG Shares are deposited in CCASS, or as a EOG Optionholder.

If you are an overseas EOG Shareholder or EOG Optionholder, your attention is drawn to the section headed “14. Overseas EOG Shareholders and EOG Optionholders” in the explanatory statement in Part VII of this Scheme Document.

11. FURTHER INFORMATION

You are urged to read the whole of this Scheme Document, in particular (i) the letter from the Independent Board Committee in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser in Part VI of this Scheme Document; (iii) the explanatory statement in Part VII of this Scheme Document; and (iv) the Appendices to this Scheme Document.

EOG Shareholders, EOG Optionholders and potential investors of EOG should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived (as applicable), and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. EOG Shareholders, EOG Optionholders and potential investors of EOG should therefore exercise caution when dealing in the securities of EOG. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

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

Yours faithfully,
For and on behalf of
Easy One Financial Group Limited
Chan Chun Hong, Thomas
Chairman and Managing Director



Easy One Financial Group Limited
易易壹金融集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 221)

Executive Directors:

Mr. Chan Chun Hong, Thomas
(Chairman and Managing Director)
Mr. Cheung Wai Kai
Ms. Stephanie

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Sin Ka Man
Mr. Cheung Sau Wah, Joseph, *PMSM*
Mr. Wong Hung Tak, *PMSM*

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

Suite 3202, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

12 August 2020

To the Disinterested Scheme Shareholders and the EOG Optionholders

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF EASY ONE FINANCIAL GROUP LIMITED
BY CAISTER LIMITED BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA)**
AND
**(2) PROPOSED WITHDRAWAL OF LISTING OF
EASY ONE FINANCIAL GROUP LIMITED**

We refer to the document dated 12 August 2020 jointly issued by Caister and EOG in relation to the Proposal and the Option Offer (the “**Scheme Document**”), of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

PART V LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We, being all the independent non-executive directors of EOG who are not interested in the Proposal and the Option Offer, have been appointed by the EOG Board as members of the Independent Board Committee to give a recommendation to the Scheme Shareholders and the EOG Optionholders in respect of the Proposal and the Option Offer.

Altus Capital Limited (the “**Independent Financial Adviser**”) has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Proposal and the Option Offer. Having considered (a) the reasons for, and the benefits of, the Proposal and the Option Offer and their effects as set out in the Scheme Document and (b) the terms of the Proposal and the Option Offer and having taken into account the advice of the Independent Financial Adviser, and in particular, the factors, reasons and recommendations set out in the letter from the Independent Financial Adviser, we consider that the terms of the Proposal and the Option Offer are fair and reasonable so far as the Disinterested Scheme Shareholders and the EOG Optionholders are concerned.

Accordingly, we recommend that:

- (i) the Scheme Shareholders vote IN FAVOR OF the resolution to approve the Scheme at the Court Meeting;
- (ii) the EOG Shareholders vote IN FAVOR OF the special resolution to approve the implementation of the Scheme at the SGM; and
- (iii) the EOG Optionholders ACCEPT the Option Offer.

We draw the attention of the Disinterested Scheme Shareholders and the EOG Optionholder to (1) the letter from the EOG Board set out in Part IV of the Scheme Document; (2) the explanatory statement set out in Part VII of the Scheme Document; and (3) the letter from the Independent Financial Adviser, which sets out the factors and reasons taken into account in arriving at its advice to the Independent Board Committee, set out in Part VI of the Scheme Document.

Yours faithfully,
Independent Board Committee

Mr. Sin Ka Man
Independent
non-executive director

Mr. Cheung Sau Wah, Joseph
Independent
non-executive director

Mr. Wong Hung Tak
Independent
non-executive director

Set out below is the text of a letter received from Altus Capital Limited, the independent financial adviser to the Independent Board Committee in respect of the Proposal and the Option Offer for the purpose of inclusion in this Scheme Document.

ALTUS.

Altus Capital Limited

21 Wing Wo Street
Central
Hong Kong

12 August 2020

To the Independent Board Committee

Easy One Financial Group Limited

Suite 3202, 32/F.,
Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon,
Hong Kong

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF EASY ONE FINANCIAL GROUP LIMITED
BY CAISTER LIMITED BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA)
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
EASY ONE FINANCIAL GROUP LIMITED**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Proposal and the Option Offer. Details of the Proposal and the Option Offer are set out in the “Letter from the EOG Board” contained in the Scheme Document dated 12 August 2020 jointly issued by EOG and Caister to the EOG Shareholders and the EOG Optionholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

Caister Limited, a company wholly and beneficially owned by Mr. Tang Ching Ho, requested the EOG Board to put forward the Proposal to the Scheme Shareholders for the

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

privatisation of EOG by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act.

Subject to the Proposal being approved and implemented, (i) EOG will become a direct or indirect wholly-owned subsidiary of Caister; and (ii) the listing of the EOG Shares on the Stock Exchange will be withdrawn.

THE EOG INDEPENDENT BOARD COMMITTEE AND THE EOG INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all independent non-executive directors of EOG who are not interested in the Proposal, namely Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak, has been established by the EOG Board to make a recommendation to the Scheme Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting and to the EOG Optionholders as to its views on acceptance of the Option Offer.

As the independent financial adviser with respect to the Proposal and the Option Offer, our role is to provide the Independent Board Committee with an independent opinion and recommendation as to whether the terms of the Proposal are, or are not, fair and reasonable as far as the Scheme Shareholders are concerned and (i) whether the Scheme Shareholders should vote in favour of the resolution to approve the Scheme at the Court Meeting; (ii) whether the EOG Shareholders should vote in favour of the special resolution to approve the implementation of the Scheme at the SGM; and (iii) whether the EOG Optionholders should accept the Option Offer.

We (i) are not associated or connected with EOG or Caister, their respective controlling shareholders or any parties acting in concert with any of them; and (ii) have not acted as the independent financial adviser in relation to any transaction of EOG in the last two years prior to the date of the Scheme Document. Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal and the Option Offer is at market level and not conditional upon the outcome of the Proposal and the Option Offer; (ii) no arrangement exists whereby we shall receive any fees or benefits from EOG or Caister (other than our said remuneration), their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms, we are independent of EOG and can act as the independent financial adviser to the Independent Board Committee in respect of the Proposal and the Option Offer.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Scheme Document; (ii) the Joint Announcement; (iii) the annual report of EOG for the year ended 31 March 2020 (the “**EOG 2020 Annual Report**”); (iv) the annual report of WOG for the year ended 31 March 2020 (the “**WOG 2020 Annual Report**”); (v) the interim report of EOG for the six months ended 30 September 2019 (the “**EOG Interim Report**”); (vi) the interim report of WOG for the

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

six months ended 30 September 2019 (the “**WOG Interim Report**”); and (vii) other announcements made by EOG and WOG during the year ended 31 March 2020 and up to the Latest Practicable Date.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by EOG, the EOG Directors and the management of EOG (the “**EOG Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. EOG will notify the Scheme Shareholders and EOG Optionholders of any material changes to information contained or referred to in the Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Scheme Shareholders and EOG Optionholders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and before the despatch of the Scheme Document.

We have no reason to believe that any statement, information, opinion or representation relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to EOG and WOG contained or referred to in the Scheme Document, and information relating to EOG provided to us by EOG, the EOG Directors and the EOG Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of EOG and WOG.

We have not considered the taxation implications on the Scheme Shareholders nor the EOG Optionholders arising from acceptance or non-acceptance of the Proposal and the Option Offer, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Scheme Shareholders nor the EOG Optionholders as a result of the Proposal and the Option Offer. In particular, the Scheme Shareholders nor the EOG Optionholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional adviser on tax matters.

PRINCIPAL TERMS OF THE PROPOSAL AND THE OPTION OFFER

The Proposal

The Proposal is made by Caister in compliance with the Takeovers Code.

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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\$0.30 per Scheme Share and the Consideration Shares on the basis of eight (8) Consideration Shares per 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 the Caister or its designated wholly-owned subsidiary.

If, after the Latest Practicable Date and prior to the Effective Date, any dividend or other distributions is made or paid in respect of the Scheme Shares, Caister reserves the right to reduce the Scheme Cash Consideration and the Option Cancellation Price by an amount equal to the amount of such dividend or other distributions after consultation with the Executive. As of the Latest Practicable Date, 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) is HK\$0.924 per Scheme Share and 556,432,500 Scheme Shares in issue as at the Latest Practicable Date, the Scheme Shares are in aggregate valued at approximately HK\$514.1 million. For the detailed price comparison, please refer to the section headed “3.2 Cancellation Consideration comparison” of this letter.

The Option Offer

The EOG Share Option Scheme was adopted on 21 August 2012. As at the Latest Practicable Date, there are four EOG Optionholders, namely Mr. Chan Chun Hong, Thomas, Ms. Stephanie, Mr. Cheung Wai Kai and Mr. Yeung Kam Cheong holding outstanding EOG Options which were vested and exercisable into an aggregate of 17,800,000 EOG Shares granted under the EOG Share Option Scheme, with an exercise price of HK\$0.48 per EOG Share. As at the Latest Practicable Date, none of Caister and its Concert Parties holds any EOG Options. Other than such outstanding EOG Options, there are no other options, derivatives, warrants or other securities issued by EOG that are convertible or exchangeable into EOG Shares as at the Latest Practicable Date.

In accordance with Rule 13 of the Takeovers Code, Caister is required to make (or procure to be made on its behalf) an appropriate offer to the EOG Optionholders for the cancellation of every EOG Option by way of the Option Offer. The Option Offer will be conditional upon the Scheme becoming effective.

Under the Option Offer, all EOG Options will be cancelled in exchange for the payment of the Option Cancellation Price for each EOG Option tendered in acceptance of the Option Offer, which is calculated as the Cancellation Consideration as at the Last Trading Day of HK\$0.924 minus the exercise price of the EOG Option. On 4 May 2020, each of the four EOG Optionholders, has entered into the Irrevocable Option Undertakings in favour of Caister undertaking, among other things, to accept the Option Offer and not to exercise the EOG Options granted from the date of the Irrevocable Option Undertaking up to the close of the offer

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

period (within the meaning of the Takeovers Code) in respect of the Option Offer. The Irrevocable Option Undertakings will cease to be binding upon the close of the offer period (within the meaning of the Takeovers Code) in respect of the Option Offer. Please refer to the table below for particulars of the EOG Options held by the EOG Optionholders.

The following table sets out the exercise price of all the outstanding EOG Options and the Option Cancellation Price under the Option Offer:

Date of grant	Exercise price (HK\$)	Exercisable period	Option Cancellation Price (HK\$)	Number of EOG Shares into which EOG Options are exercisable
23 February 2018	0.48	23 February 2018 to 22 February 2025	0.444 per EOG Option	17,800,000 (Note)

Note: As at the Latest Practicable Date, (i) Mr. Chan Chun Hong, Thomas (an executive director of EOG, WOG and WYT), Ms. Stephanie (an executive director of EOG and the daughter-in-law of Mr. Tang) and Mr. Cheung Wai Kai (an executive director of EOG and the brother-in-law of Mr. Tang) holds EOG Options which are vested and exercisable into 4.6 million, 4.6 million and 4.6 million EOG Shares respectively; and (ii) Mr. Yeung Kam Cheong, an employee of EOG, holds EOG Options which are vested and exercisable into 4.0 million EOG Shares.

For further information on the Option Offer, please refer to “Form of the Option Offer Letter” set out in Appendix VI to the Scheme Document.

Conditions of the Proposal

The implementation of 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, details of which are set out in the section headed “3. Conditions to the Proposal” in the explanatory statement in part VII of the Scheme Document. In particular, we wish to draw your attention to the major conditions below:

- (a) the approval of the Scheme (by way of poll):
 - (i) 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;
 - (ii) 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)

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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;

- (b) 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:
 - (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);
- (c) the approval of the WYT Disposal:
 - (i) by passing of an ordinary resolution by the Independent WOG Shareholders at the WOG SGM;
 - (ii) by passing of an ordinary resolution by the Independent WYT Shareholders at the WYT SGM;
- (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; and
- (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 (b) above.

Conditions (a) to (e) cannot be waived in any event. EOG has no right to waive any of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Caister may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to Caister in the context of the Proposal.

All of the Conditions will have to be fulfilled or waived (as applicable) 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.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived.

It is currently expected that, assuming that all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective on Tuesday, 6 October 2020 (Bermuda time) and the listing of the EOG Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Friday, 9 October 2020 pursuant to Rule 6.15 of the Listing Rules. Further announcements will be made in the event of a change of the expected Effective Date of the Scheme.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background information of EOG

As at the Latest Practicable Date, EOG is indirectly held as to approximately 29.06% by WYT. 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.

Set out below is a brief description of EOG's businesses.

Under the money lending business segment, EOG consolidated its four branches specialising in the provision of personal loans into a headquarters in Central in March 2019. EOG explores to allocate more resources to its current online lending business platform which provides online loan application in order to make loan application more accessible.

Under the securities brokerage business segment, EOG has been successfully granted a license to carry out Type 2 (dealing in futures contracts) regulated activity by the SFC. This enables EOG to provide more diversified investment services such as cash equity, futures contract transactions, margin financing, book management placement as well as underwriting for individuals and corporate customers together with its existing Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities. EOG has also developed an online mobile application to enhance securities and futures trading.

Under its property development business segment, EOG currently holds a commercial complex located in Dongguan, Guangdong Province in the PRC (the "**Dongguan Project**"). As at 31 March 2020, more than 98% leasable area of the Dongguan Project has been leased out, which brought in a total rental income of approximately HK\$21.6 million for FY2020.

For further information on EOG's property portfolio, please refer to Appendix VII – Property valuation report to the Scheme Document.

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.1 Financial information of EOG

Set out below is a summary of the consolidated financial information of EOG for (i) the six months period ended 30 September 2019; and (ii) each of the two years ended 31 March 2020 as extracted from the EOG 2020 Annual Report:

	For the year ended 31 March 2019 ("FY2019") HK\$ million (audited)	For the year ended 31 March 2020 ("FY2020") HK\$ million (audited)
Revenue	130.8	113.4
– Finance business	100.6	94.9
– Brokerage services	18.9	14.9
– Property development	11.3	3.6
Gross profit	130.1	113.2
Gain on disposal of subsidiaries	72.7	1.1
Share of results of an associate (<i>Note</i>)	(42.9)	1.2
Profit for the year	70.4	41.5
	As at 30 September 2019 HK\$ million (unaudited)	As at 31 March 2020 HK\$ million (audited)
Total non-current assets	470.2	408.5
Total current assets	1,150.8	1,071.8
– Cash and cash equivalents	106.0	68.8
Total assets	1,621.0	1,480.3
Total liabilities	497.5	392.0
Total equity	1,123.6	1,088.3

Note: The associate is China Agri-Products Exchange Limited (stock code: 149) ("CAP"), of which EOG has an interest of 20.17% in as at the Latest Practicable Date.

CAP recorded a profit attributable to owners of the Company of approximately HK\$6 million for the fifteen months ended 31 March 2020 (CAP has changed its year end from 31 December to 31 March in January 2020) as compared to the loss of approximately HK\$213 million for the year ended 31 December 2018. The significant improvement of CAP's profit attributable to owners of the Company was mainly due to (i) an increase in turnover of sales of properties; (ii) an increase in net gain in fair value of investment properties; (iii) a decrease in impairment of stock of properties and loss in fair value of derivative financial instruments; and (iv) a decrease in administrative expenses, as compared to the financial year ended 31 December 2018.

FY2020 compared to FY2019

EOG's total revenue decreased from approximately HK\$130.8 million in FY2019 to approximately HK\$113.4 million in FY2020. The drop in the total revenue was mainly due to the decrease in revenue generated from provision of finance business and securities brokerage services as well as a significant decrease in revenue generated from property sale in the PRC.

EOG's total revenue from the provision of finance decreased from approximately HK\$100.6 million in FY2019 to approximately HK\$94.9 million in FY2020. The decrease in revenue was due to the volatile property market in Hong Kong in the first quarter of 2020, the social events in Hong Kong and the outbreak of COVID-19, which have dampened the overall market sentiment and hence EOG's provision of finance business.

The total revenue of the EOG's securities brokerage business decreased from approximately HK\$18.9 million in FY2019 to approximately HK\$14.9 million in FY2020. This was mainly due to the market instability as a result of the on-going Sino-U.S. trade war, large-scale outbreak of COVID-19 across the globe and the continuous social events in Hong Kong, which created a downward momentum to the Hong Kong stock market and significantly impacted the Group's brokerage activities and margin financing businesses.

The total revenue of the EOG's property development business decreased from approximately HK\$11.3 million in FY2019 to approximately HK\$3.6 million in FY2020. This was caused by the disposal of its property development project located in Fuzhou (撫州), Jiangxi Province in the PRC (the "**Fuzhou Project**"), of which EOG recorded a gain on the disposal of the Fuzhou Project of approximately HK\$72.8 million in the consolidated income statement. Subsequent to the disposal of the Fuzhou Project, EOG currently holds the Dongguan Project. The Dongguan Project covers an area of approximately 200,000 square feet and the saleable area is approximately 400,000 square feet.

In FY2020, EOG recorded a profit for the year of approximately HK\$41.5 million, as compared to approximately HK\$70.4 million for FY2019. The drop in the net profit was primarily due to the combined effects of (i) a significant decrease in gain on disposal of Jumbo Sun Investments Limited and Strengthen Investments Limited, indirect wholly-owned subsidiaries of EOG in April 2018; and (ii) a reduction in the share of loss of an associate as compared with the previous financial year.

31 March 2020 compared to 30 September 2019

EOG's total equity amounted to approximately HK\$1,088.3 million as at 31 March 2020 compared to approximately HK\$1,123.6 million as at 30 September 2019.

As at 31 March 2020, EOG's aggregate bank and other borrowings reduced slightly to approximately HK\$240.8 million compared to approximately HK\$258.4 million as at 30 September 2019. The gearing ratio (calculated by reference to total borrowings net of cash and cash equivalents and the total equity) decreased from approximately 18.5% as at 30 September 2019 to approximately 15.8% as at 31 March 2020. The cash and bank balance decreased from approximately HK\$104.8 million as at 30 September 2019 to approximately HK\$39.5 million as at 31 March 2020.

1.2 Outlook of EOG

Provision of finance business

With reference to the EOG 2020 Annual Report, the property market in Hong Kong remained volatile during FY2020. Property prices rose to a peak in May 2019 and then followed by a downward adjustment from May 2019 to the first quarter of 2020. While the relaxing of the ceiling on mortgage financing schemes for first-time homebuyers by the Hong Kong Government has helped in stimulating residential property transactions, the social events in Hong Kong and the outbreak of COVID-19 have dampened the overall market sentiment.

Further, as described in the EOG 2020 Annual Report, keen market competition, intense price war on interest margin, volatile property prices, social events in Hong Kong and the spread of COVID-19 have created uncertainties in the loan business. In particular, the threat of COVID-19 has disrupted a wide range of local economic activities in Hong Kong and the supply chains in the region. The gross domestic product in Hong Kong contracted sharply by 8.9% in real terms in the first quarter of 2020 compared to the same period in 2019, recording the steepest decline for a single quarter. With the gathering headwinds in the global and local economies, EOG Group is prepared to implement periodic measures so as to manage the risk prudently to prepare for the volatility in property prices and the downward momentum of the economy.

The EOG Management believes, and we concur, that the credit market in Hong Kong remains challenging and turbulent. With reference to the Residential Mortgage Survey Results published by the Hong Kong Monetary Authority on 30 June 2020¹, the mortgage loans approved in Hong Kong exhibited a general decreasing trend from approximately HK\$52.0 billion in May 2019 to approximately HK\$41.0 billion in May 2020. Furthermore, according to the Survey on Small and Medium-Sized Enterprises, (SMEs)' Credit Conditions for the first quarter of 2020 (the "Survey") published by the Hong Kong Monetary Authority and carried out by the Hong Kong Productivity

¹ The Hong Kong Monetary Authority. (2020). Residential Mortgage Survey Results of June 2020. Latest statistics updated on 2020/06/30. Retrieved from: <https://www.hkma.gov.hk/media/eng/doc/key-information/press-release/2020/20200630e8a1.pdf>

Council², there are increasing challenges in the credit market in Hong Kong. Approximately 31% of the respondents in the Survey believed banks' credit approval stance were more difficult relative to the first quarter of 2020, which was up from 27% in the fourth quarter of 2019, and continued an increasing trend since the second quarter of 2019.

Securities brokerage services

The EOG Management believes, and we concur, the stock market shall remain turbulent for the year ending 31 March 2021. With reference to the EOG 2020 Annual Report, the securities brokerage market in Hong Kong remains highly competitive, with over 700 trading right holders on the Stock Exchange as at 30 June 2020 (HKEx website). Moreover, trading continued to languish during the year ended 31 March 2020 as the outbreak of COVID-19 has severely impacted economic activities and industries in Hong Kong.

Listing platform

With reference to the section headed "4. Reasons for and benefits of the Proposal" in the Scheme Document, we concur with EOG management's view that the current listed status of EOG poses difficulties on the execution of its money-lending business due to stringent monitoring by the regulatory authorities which increases the risks in EOG's operation environment. In particular, the stringent disclosure requirements as prescribed in the Listing Rules, together with its small market capitalisation, may raise privacy concerns on the identity disclosure of certain prime plus customers, including high-end and reputable customers or entities which include successful businessmen and professionals or well established enterprises with strong repayment performance, thus making it more difficult for the EOG Group to secure potential businesses from such customers.

Further, as stated in the section headed "4. Reasons for and benefits of the Proposal" in the Scheme Document, the EOG management believes that EOG's continuously depressed share price has an adverse impact on its business development and employee morale, which may affect its growth. In addition, the listing of shares requires the EOG Group to bear listing-related administrative and compliance costs, which inhibits the EOG Group's ability to streamline its corporate management. As a result, the present listing status of EOG and its relatively low liquidity in trading of EOG Shares have limited its ability to raise funds from the capital markets. This inhibits the EOG Group's long-term growth and business development plan. The EOG Group believes that the Proposal can offer the EOG Group more flexibility in optimising its governance and organisation structure in order to capture its business

² The Hong Kong Monetary Authority and the Hong Kong Productivity Council. (2020). Survey on Small and Medium-Sized Enterprises' Credit Conditions for the first quarter of 2020. Latest statistics updated on 2020/07/29. Retrieved from: <https://www.hkpc.org/en/about-us/hkpc-publication/industry-insight/hkma-survey>

potential. The EOG Group also considers it the best to shift from a listed company to a private company to safeguard its stability and momentum through privatisation.

2. Background information of Caister and WOG

2.1. Caister and its controlling shareholder

As at the Latest Practicable Date, Caister is beneficially wholly-owned by Mr. Tang. It is principally engaged in the investment holding of the WOG Shares owned by it.

2.2. WOG

WOG is incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1222). WOG is principally engaged in (i) management and sub-licensing of fresh markets in Hong Kong and agricultural produce exchange markets in the PRC through CAP; (ii) property investment and property development in Hong Kong through WOP, WYT and CAP; (iii) manufacturing and/or retailing of pharmaceutical and health food products in Hong Kong and the PRC through WYT; and (iv) treasury management.

2.3. Financial information of WOG

Set out below is a summary of the consolidated financial information of WOG for (i) the six months period ended 30 September 2019; and (ii) each of the two years ended 31 March 2020 as extracted from the WOG 2020 Annual Report:

	For the year ended 31 March 2019 ("FY2019") <i>HK\$ million</i> (audited)	For the year ended 31 March 2020 ("FY2020") <i>HK\$ million</i> (audited)
Revenue	4,009.1	3,440.7
Gross profit	1,718.1	1,611.0
Profit for the year	893.4	439.7

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	For the year ended 31 March 2019 ("FY2019") HK\$ million (audited)	For the year ended 31 March 2020 ("FY2020") HK\$ million (audited)
Revenue by segment		
– Property development	2,827.0	2,368.4
– Property investment	18.3	20.6
– Fresh markets	188.4	265.7
– Others	975.4	786.0
Segment results		
– Property development	1,051.6	799.4
– Property investment	72.5	(138.0)
– Fresh markets	27.5	29.7
– Others	65.0	(20.8)
	As at 30 September 2019 HK\$ million (unaudited)	As at 31 March 2020 HK\$ million (audited)
Total non-current assets	7,901.0	11,205.0
Total current assets	7,806.0	7,883.9
– <i>Cash and cash equivalents</i>	1,377.4	1,575.8
Total assets	15,707.0	19,088.8
Total liabilities	7,436.2	10,047.2
Total equity	8,270.8	9,041.7

FY2020 compared to FY2019

WOG's revenue for FY2020 decreased by approximately 14.2% to approximately HK\$3.4 billion. The reduction in revenue in FY2020 was mainly due to a decrease in sales from the property development segment as a result of the progress of completion of properties sales.

The property investment revenue declined by approximately 16.2% to approximately HK\$2,368.4 million in FY2020 while the segment revenue declined by approximately 24.0% to HK\$799.4 million due to the decrease in WOG's gross rental income as a result of the disposal of residential properties during FY2020. The main contributor to the segment revenue was the completion and delivery of The Met. Acappella.

The fresh market segment recorded an increase in revenue by approximately 41.0% to approximately HK\$265.7 million and segment revenue increased by approximately 8.0% to approximately HK\$29.7 million as a result of additional revenue from the operation of agricultural produce exchange markets of CAP following the completion of its acquisition during FY2020, and also new revenue streams brought by the butchery business. As at the Latest Practicable Date, 12 butchery stores were in operation.

The profit of WOG for FY2020 decreased by approximately 50.8% to approximately HK\$439.7 million, mainly due to (i) the fair value losses on investment properties recognised in FY2020 of approximately HK\$181.1 million as opposed to recording fair value gains on investment properties of approximately HK\$89.1 million in FY2019; (ii) the fair value loss of financial instruments at fair value through profit or loss of approximately HK\$49.8 million recognised in FY2020 as compared to a gain of approximately HK\$2.2 million in FY2019; and (iii) an increase in finance cost by approximately 16.7% to approximately HK\$24.7 million in FY2020.

31 March 2020 compared to 30 September 2019

As at 31 March 2020, WOG's total equity increased by 9.3% to approximately HK\$9,041.7 million. WOG's total cash and bank balances held decreased to approximately HK\$1,584.0 million as at 31 March 2020 as compared to approximately HK\$1,909.4 million as at 30 September 2019, which was mainly due to cash used in purchase of financial assets.

The Group's total debt increased to approximately HK\$6,205.0 million as at 31 March 2020 compared to approximately HK\$5,616.4 million as at 30 September 2019. WOG's debt to equity ratio increased from approximately 44.8% as at 30 September 2019 to 51.1% as at 31 March 2020. The debt profile of WOG Group as at 31 March 2020 did not change significantly from that as at 30 September 2019.

2.4. Outlook of WOG

Property development

WOG, through its 75% owned listed subsidiary, WOP, engages in premium property development with a primary focus in Hong Kong residential and commercial property market. With reference to the WOG 2020 Annual Report, WOG remains positive on the outlook of WOG's the property development segment, which is the major contributor to WOG's revenue. In particular, the completion and delivery of The Met. Accappella, one of WOG's residential project contributed mainly to WOG's segment revenue in FY2020. As at the Latest Practicable Date, all units of The Met. Accappella project were sold. Apart from the Met. Accappella, WOG currently possesses a healthy pipeline of luxury residential properties co-developed with other property developers, such as maya by NOUVELLE and Altissimo, both of which are expected to be delivered in 2020. In addition, WOG owns 70% and 100% of two new

sites in Pokfulam and in Tsing Yi respectively which will be developed into residential properties by 2022.

The management of WOG remains cautiously optimistic on the property market of Hong Kong. According to statistics for primary residential property sales of Hong Kong provided by the Land Registry³, the number of transactions in July 2020 (being the latest available data prior to the Latest Practicable Date) for primary sales increased significantly by approximately 250.6% compared to the beginning of 2020 and is the highest since October 2018, while the consideration for property sales in July 2020 (being the latest available data prior to the Latest Practicable Date) increased by approximately 187.4% compared to the beginning of 2020, indicating a more positive outlook compared to the same period in 2019.

Having analysed recent primary residential property transaction statistics provided by the Land Registry, we concur with WOG's view that the property market in Hong Kong is showing signs of resilience from the negative impact of COVID-19 and may further improve during 2020.

Management and sub-licensing of fresh markets and operation of agricultural produce exchange markets

According to WOG 2020 Annual Report, WOG's 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. In August 2020, the Allmart (Mun Tung) Market located in Tung Chung commenced service, and, synergizing with the existing in service Allmart (Ying Tung) Market in the same district, resulted in a steady improvement of customer flows and operation performance. Moreover, during FY2020, WOG also refurbished part of the retail podiums of Lake Silver and Parkside, which were acquired by joint ventures of the WOG Group and became fresh markets under the brand "Day Day Fresh" and was opened in January 2020. WOG 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.

WOG believes, and we concur, 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, WOG entered into butchery business by capturing synergies with its existing fresh market operations. In FY2020, the butchery business generated revenue and profit of approximately HK\$33.5 million, representing approximately 1.0% of the WOG Group's revenue and HK\$3.1 million, respectively. Given WOG's already available fresh market platforms, as well as more than 20 years of experience in wet market operations, WOG believes that the risk of launching the butchery business is

3 The Hong Kong Land Registry. (2020). Statistics of Agreements for Sale and Purchase of Residential Building Units: Primary and Secondary Sales from 2016 to 2020. Latest statistics updated on 2020/07/10. Retrieved from: <https://www.landreg.gov.hk/en/monthly/agt-primary.htm>

manageable. In addition, according to the latest available published research prior to the Latest Practicable Date conducted by the University of Hong Kong, Hong Kong has one of the highest meat consumptions per capita in the world at 664g per day per capita. Further, according to the same research, pork and beef consumption are the highest, with average daily consumption four times higher than that of the United Kingdom⁴. WOG believes, and we concur Hong Kong people's pork dietary habit, combined with WOG's well established fresh market network, shall allow for rapid growth and a relatively low-risk development of the new business. WOG targets to continue the expansion of butchery stores and drive to optimise the operation platform of fresh market and butchery business so as to maximise synergies. As at the Latest Practicable Date, 12 butchery stores were in operation.

Moreover, following the acquisition of CAP by the WYT 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 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. Agriculture sector is expected to be driven by the "Belt and Road Initiative". It is noted that the total investment amount in the "Belt and Road Initiative" related agricultural projects in 2018 amounted to USD9.4 billion, representing an increase of approximately 70%, as compared to that in 2013⁵. The WOG Group will continue to capture new focus on 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 WOG and its shareholders.

Manufacturing and/or retailing of pharmaceutical and health food products

The continuous social unrest and the COVID-19 pandemic have unavoidably hurt the inbound tourism in Hong Kong, which directly impacted on WOG's retail sales, in particular for those districts which were originally very popular with Mainland tourists. Nonetheless, during the pandemic, certain products are considered as good for health product, such as the Angong Nihuang Wan (安宮牛黃丸), which is increasingly popular in the market from time to time. With reference to the WOG 2020 Annual Report, WOG will focus on distributing its Chinese medicine products through online and offline channels in Hong Kong and the PRC. WOG Group has various retail outlets in Hong Kong, Macau and the PRC as at the Latest Practicable Date and will closely monitor the performance of its distribution channels and retail network. With Hong Kong and PRC government's active push for traditional Chinese pharmaceutical

4 Research conducted by University of Hong Kong, by Y Y Yau et al 'Impact of cutting meat intake on hidden greenhouse gas emissions in an import-reliant city', 2018, *Environmental Research Letters* 13 064005. Use of original in adaptation – all reasonable to medium and means. Retrieved from: <https://iopscience.iop.org/article/10.1088/1748-9326/aabd45/pdf>

5 中華人民共和國中央人民政府《去年我國與“一帶一路”參與國農產品貿易總額超770億美元》。新華社。2019. [2020/08/07] http://www.gov.cn/shuju/2019-07/19/content_5411960.htm

products, 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. The WOG Group has established one of the largest teams of Chinese medicine practitioners Hong Kong through WYT. WOG will continue to promote its “Wai Yuen Tong” (位元堂) brand value to maintain a leading market position in Chinese pharmaceutical and health food product markets. To comply with mainland China’s relevant regulations, the WOG Group has engaged various local industry players to rejuvenate the penetration of its Western pharmaceutical and health food products series under the “Madame Pearl’s” brand into mainland China. 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.

Taking into account (i) the long-standing brand name of “Wai Yuen Tong” (位元堂); (ii) the long term growth of Chinese pharmaceutical market in the Greater Bay Area as highlighted in an article published by the National Administration of Chinese Medicine published in February 2019⁶, the Chinese government encourages the governments of the Greater Bay Area cities to implement the Plan by promoting standardisation and internationalisation of Chinese medicine as well as developing a public service platforms for the overseas registration of Chinese medicine products by 2035; and (iii) balancing the short-term impact from the recent COVID-19 pandemic situation in Hong Kong and the slow recovery of tourism, we concur with WOG’s view on remaining optimistically cautious of the long-term growth of this segment.

Treasury management

The treasury management segment engages in the provision of finance and investments in debt and other securities which earn interest income. The treasury management segment represents a relatively small portion of WOG’s revenue, taking up only approximately 5% of the WOG Group’s total revenue.

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. WOG will continue a proactive and prudent investment approach to drive business growth on all business segments.

2.5. Caister’s intention in relation to EOG

In light of the COVID-19 pandemic, social events in Hong Kong and the U.S. – China trade tensions causing uncertain and challenging business environments, following the implementation of the Proposal, Caister intends to take a more cautious approach with respect to the finance and securities brokerage businesses of the EOG Group. Caister intends to take a more conservative approach with respect to new customer selection,

6 國家中醫藥管理局《粵港澳大灣區發展規劃綱要》印發，中醫藥積極參與粵港澳大灣區建設，2019 [2020/08/05], <http://www.satcm.gov.cn/xinxifabu/shizhengyaowen/2019-02-20/9069.html>

assessment of customer's credit worthiness and the credit approval process. Upon the Scheme becoming effective, Caister will closely monitor business environments for the finance and securities brokerage services of the EOG Group and will respond accordingly in an agile manner.

Caister has no intention to introduce major changes to the disposal of or redeployment of the fixed assets of the EOG Group and in particular, Caister intends to retain the investments in the Dongguan Project and CAP. In addition, Caister has no intention to develop new business that is outside of the existing businesses of the EOG Group upon the Scheme becoming effective.

3. Cancellation Consideration

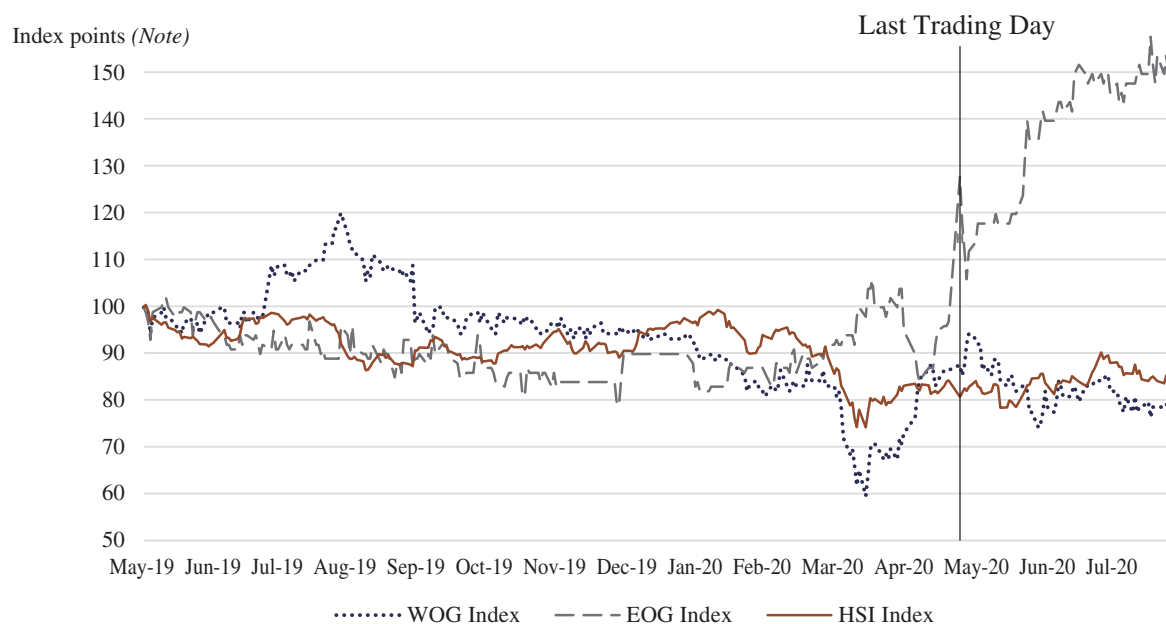
3.1. Share price analysis

In assessing the reasonableness of the Proposal and the Cancellation Consideration, we have considered the relative performance of the EOG Shares and WOG Shares and compared them to the Cancellation Consideration.

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Set out below is a chart showing the relative movement of the closing prices of EOG Shares and WOG Shares against the Hang Seng Index (“HSI”) during the period from 6 May 2019, being one year before the Last Trading Day, up to the Latest Practicable Date (the “Review Period”) to illustrate the general trend and level of movement of the closing prices of the EOG Shares and WOG Shares.

Relative price performance of EOG Shares and WOG Shares against HSI from 6 May 2019 to the Latest Practicable Date



Source: The Stock Exchange website (www.hkex.com.hk)

Note: The closing prices of WOG Shares, EOG Shares and HSI have all been rebased to 100 as at 6 May 2019.

EOG Shares

As shown in the graph above, the price of EOG Shares was generally in line with the trend of HSI until October 2019, and exhibited a general downward trend in 2019. The price of EOG Shares underperformed when compared to the HSI and declined by the end of 2019, reaching the record low on 3 and 4 December 2019 of HK\$0.395 after the publication of the profit warning announcement of EOG dated 6 November 2019. During the end of 2019 and early 2020, the price of EOG Shares suffered irregularity due to low trading volume.

The price of EOG Shares outperformed the HSI in the beginning of 2020, underpinned by a series of discloseable transaction announcements relating to the grant of loans to customers, and reaching a record high of HK\$0.53 per EOG Share on 26 March 2020 during the Review Period before the Last Trading Day. The price of EOG Shares then subsequently dropped to previous levels of around HK\$0.45 per

EOG Share after March 2020. Subsequent to the publication of the Joint Announcement, the price of EOG Shares significantly increased.

Further, we also noted the price of EOG Shares is relatively depressed in recent years compared to its price before 2016, and has never risen above HK\$0.80 since 13 May 2016, subsequent to EOG's diversification into financial services and change of company name at the end of 2015.

WOG Shares

The WOG Shares were traded broadly in line with the HSI during May and June 2019. The price of WOG Shares experienced a surge at the end of June and in July 2019 and outperformed the HSI during the same period after the announcement of final results for the year ended 31 March 2019 on 28 June 2019. The price of WOG Shares subsequently fell from the record high during the Review Period of HK\$0.107 per WOG Share on 2 August 2019 after the issuance of the Annual Report on 30 July 2019, and fell back to previous levels of around HK\$0.085 in early September 2019.

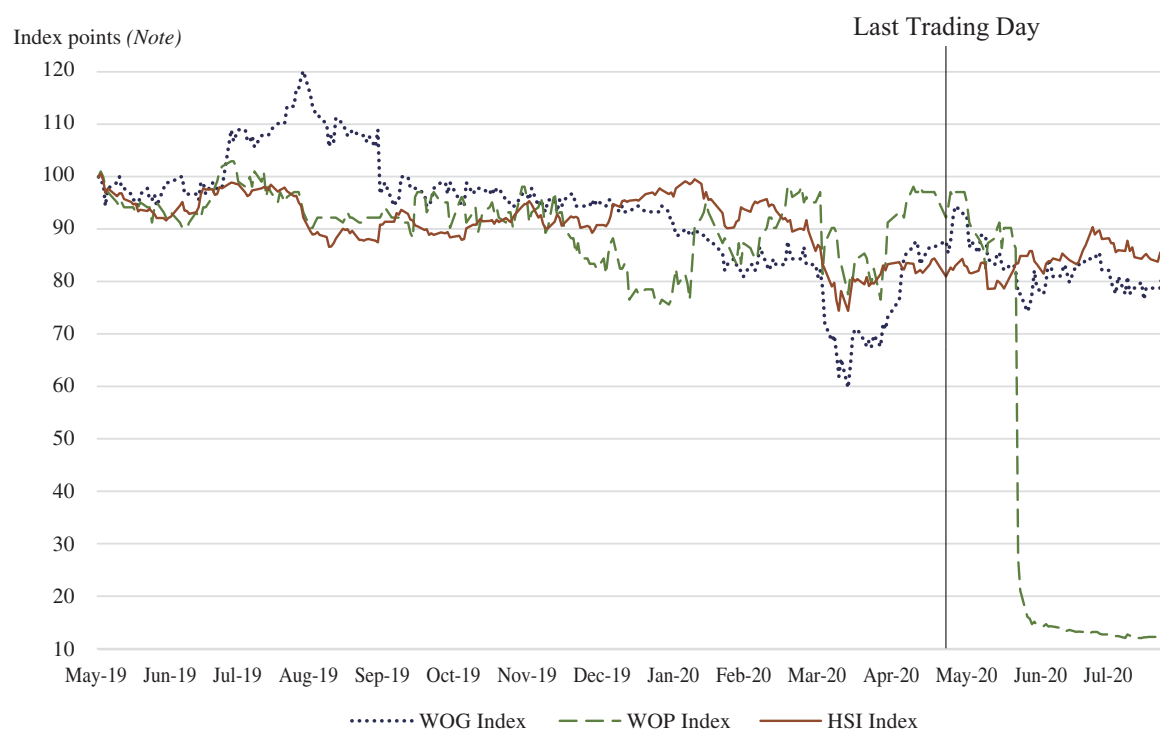
Since then, the price per WOG Share has been generally in line with the trend of HSI and followed the drop in HSI in March 2020 as the market remained anxious about the COVID-19 pandemic. In April 2020, the price of WOG Shares recovered from the record low during the Review Period of HK\$0.053 per WOG Share on 23 March 2020, and outperformed the HSI during April 2020 up until the Last Trading Day. Such recovery may be attributable to the investors' optimistic outlook on fresh market and property market due to the easing of the COVID-19 pandemic situation in Hong Kong.

Subsequent to the Last Trading Day on 4 June 2020, the share price of WOP, the listed subsidiary of WOG, experienced a substantial drop of approximately 68.2% from HK\$0.88 per share on 3 June 2020 to HK\$0.28 per share on 4 June 2020 ("**WOP Share Price Drop**"). WOP announced on the same day that its board of directors was not aware of any reasons for such decrease. The share price of WOP further declined to HK\$0.132 per share as at the Latest Practicable Date. The WOP Share Price Drop affected the price of WOG Shares temporarily during the beginning of June in 2020, however, the effect was temporary and the price of WOG Shares recovered after a few days. The price of WOG Shares as at the Latest Practicable Date was HK\$0.071 per Share, which was similar to the closing price of WOG Shares as at the Last Trading Day at HK\$0.078 per share.

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Set out below is a chart showing the relative movement of the closing prices of WOG Shares and WOP Shares against the HSI during the Review Period to illustrate the general trend and level of movement of the closing prices of the WOG Shares and WOP Shares.

Relative price performance of WOG Shares and WOP Shares against HSI from 6 May 2019 to the Latest Practicable Date



Source: The Stock Exchange website (www.hkex.com.hk)

Note: The closing prices of WOG Shares, WOP Shares and HSI have all been rebased to 100 as at 6 May 2019.

Despite WOP being a 75% non-wholly owned subsidiary of WOG, and contributed approximately 69.9% of WOG's revenue for the year ended 31 March 2020, the share price of WOG and WOP did not demonstrate direct correlation, as shown in the above chart including during the WOP Share Price Drop (with the exception for the period from March to April 2020 when performances of WOG and WOP Shares were in line with the volatility of HSI). Furthermore, based on publically available information, there is no indication that the WOP Share Price Drop was related to the performance or outlook of WOP. Given the WOP Share Price Drop may not be related to the underlying business of WOP and there is no direct correlation between the share price performance of WOG and WOP as mentioned above, we are of the view that the WOP Share Price Drop did not materially affect the Proposal, the Scheme and our recommendation.

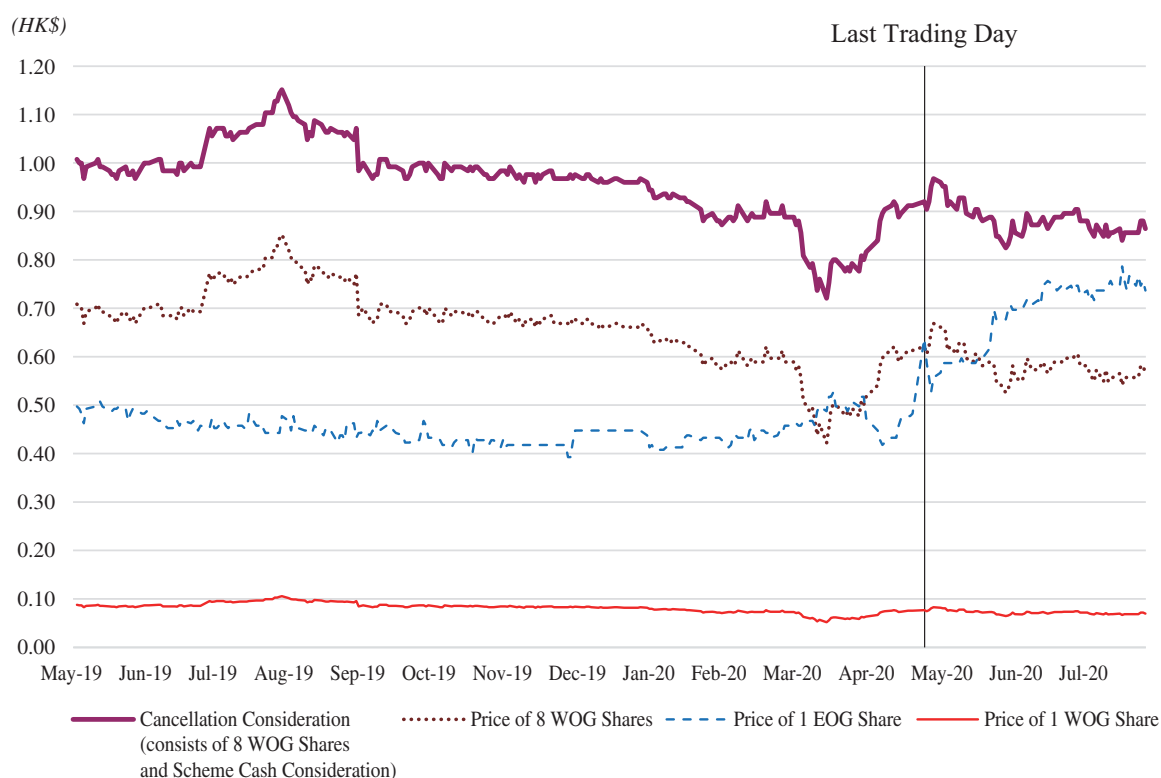
3.2. Cancellation Consideration comparison

Set out below is a chart showing the relative movement of the closing prices of EOG Shares against the Cancellation Consideration during the Review Period for illustration purposes.

We wish to highlight that the prices of WOG Shares, and hence the historical Cancellation Consideration accordingly, also comprise performance of EOG, given EOG has been an associate of WOG and contributed to WOG’s earnings and net asset value.

For the year ended 31 March 2020, WOG recorded a profit after tax of approximately HK\$439.7 million, of which approximately HK\$12.0 million was attributable to the share of profits of EOG. WOG’s net asset value attributable to owners as at 31 March 2020 was approximately HK\$5,862.8 million, of which approximately HK\$63.7 million represented the investment carry amount in EOG.

Closing prices of the EOG Shares against the Cancellation Consideration during the Review Period



Source: The Stock Exchange website (www.hkex.com.hk)

As seen from the price graph above, the EOG Shares had been traded consistently below the Cancellation Consideration throughout the Review Period. The components of the Cancellation Consideration, being the prices of 8 WOG Shares and 1 WOG Share during the Review Period were also presented for illustration purposes.

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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 24.9% over the closing price of HK\$0.74 per EOG Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) 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;
- (c) a premium of approximately 94.5% over the average closing price of approximately 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;
- (d) 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;
- (e) a premium of approximately 98.3% over the average closing price of approximately 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;
- (f) 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;
- (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 HK\$1,088.3 million as at 31 March 2020, divided by the total number of 556,432,500 EOG Shares in issue as at the Latest Practicable Date; and
- (h) a discount of approximately 55.7% to the reassessed net asset value of approximately HK\$2.084 per EOG Share as at 31 March 2020, calculated based on the reassessed unaudited consolidated net asset value of the EOG Group attributable to the EOG Shareholders of HK\$1,159.7 million as at 31 March 2020 (as detailed in the section headed “3.4. Net asset value comparison”), divided by the total number of 556,432,500 EOG Shares in issue as at the Latest Practicable Date.

Notwithstanding the discount on the reassessed net asset value per EOG Share that the Cancellation Consideration represents, we believe the underlying net asset value of the EOG and WOG Shares should be considered. Since the Proposal involves a partial exchange of shares, the Scheme Shareholders are reminded to also take into account the relevant net asset value analysis as set out in the section headed “3.4. Net asset value comparison” in this letter.

The Cancellation Consideration on the Latest Practicable Date was HK\$0.87, being the sum of the closing price of eight (8) WOG Shares of HK\$0.57 per share as at the Latest Practicable Date, plus the Scheme Cash Consideration of HK\$0.30 per EOG Share.

In view of the above taking into account the historical trading prices of EOG and WOG shares, as well as the consistent premium of that the Cancellation Consideration represents over the price of EOG shares, and taking into account the underlying net asset value that the EOG and WOG Shares represent (as detailed in the section headed “3.4. Net asset value comparison”), we are of the view that the Cancellation Consideration is attractive, and fair and reasonable so far as the Scheme Shareholders are concerned.

3.3. Market comparables

WOG

We have also conducted a comparable analysis through identifying listed companies on the Stock Exchange engaging in similar business of WOG with a similar scale (the “**WOG Comparable Companies**”).

In the selection of the WOG Comparable Companies, our selection criteria focuses on companies that (i) are listed on the Main Board of the Stock Exchange; (ii) have a net asset value of between HK\$7.0 billion and HK\$35.0 billion (making reference to WOG’s unaudited net asset value of HK\$9.04 billion as at 31 March 2020); and (iii) engage mainly in property development business with substantial presence in Hong Kong, with more than 50% of its revenue geographically derived from Hong Kong.

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The WOG Comparable Companies below have been selected based on the above criteria, and have been identified through our research using public information. After reasonable enquires and consideration, we believe it is an exhaustive list based on these criteria.

Company name	Stock code	Description of principal businesses	Net asset value (HK\$ billion) (Note 1)	Market capitalisation (HK\$ billion) (Note 2)	Price to book ratio ("P/B Ratio") (Note 3)
Tai Cheung Holdings Limited	88	Engaged in property investment and development, investment holding and property management in Hong Kong and the U.S.	7.00	3.67	0.52
Far East Consortium International Limited	35	Engaged in property development, property investment, hotel operations and management, car park operations and facilities management, gaming operations, securities and financial product investments, provision of mortgage services in Hong Kong, the PRC, Australia, Malaysia, Singapore and the U.K.	14.31	7.83	0.55
Harbour Centre Development Limited	51	Engaged in property development, property investment and hotel in Hong Kong and the PRC	17.47	7.55	0.43
HKR International Limited	480	Engaged in property development, property investment, services provided, hotel operations and healthcare in Hong Kong, the PRC, Japan and South East Asia	24.75	4.77	0.19
Kowloon Development Company Limited	34	Engaged in property development in Hong Kong, the PRC and Macau, property investment; oil and others	31.32	10.92	0.35

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Company name	Stock code	Description of principal businesses	Net asset value (HK\$ billion) (Note 1)	Market capitalisation (HK\$ billion) (Note 2)	Price to book ratio ("P/B Ratio") (Note 3)
				Maximum:	0.55
				Minimum:	0.19
				Mean:	0.41
				Median:	0.43
WOG	1222	Engaged in fresh market business in Hong Kong and the PRC; treasury management in Hong Kong; property development in Hong Kong; property investment in Hong Kong; pharmaceutical segment in Hong Kong and the PRC	9.04	1.32	0.15

Source: The Stock Exchange website (www.hkex.com.hk)

Notes:

1. Net asset value refers to net assets reported in the respective companies' latest published annual/interim report.
2. Calculated based on the average closing share price over the 120 trading days prior to the Last Trading Day and number of shares in issue as at the date of the respective companies' latest published annual/interim report sourced from the website of the Stock Exchange.
3. P/B Ratio is calculated based on the respective market capitalisation, calculated based on the average closing share price over the 120 trading days prior to the Last Trading Day multiplied by the number of shares in issue as at the date of the respective companies' latest published annual/interim report sourced from the website of the Stock Exchange divided by their respective latest net asset value reported in the respective companies' latest published annual/interim report.

As shown in the table above, the P/B Ratios of the WOG Comparable Companies range from approximately 0.19 times to 0.55 times, with the mean and median being approximately 0.41 times and 0.43 times respectively. The P/B Ratio of WOG is approximately 0.15 times, which falls below the range of those of the WOG Comparable Companies and is lower than their mean or median; therefore, the price per WOG Shares may be depressed relative to its peers' valuation. The price per share for the eight (8) WOG Shares included in the Cancellation Consideration (i.e. being HK\$0.624 based on the price of eight (8) WOG Shares as at the Last Trading Day) does not appear to be overvalued as compared to the Comparable Companies from the perspective of the above comparables analysis. As such, we are of the view that the price per WOG Share included in the Cancellation Consideration is fair and reasonable so far as the Scheme Shareholders are concerned.

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We wish to supplement that we have not performed price-to-earnings ratio analysis on the WOG Comparable Companies and WOG as most of them are mainly engaged in property development and property investment businesses, we believe the price-to-book ratio will be a more meaningful indicator of the scale of business as compared to price-to-earnings ratios.

EOG

To assess the fairness and reasonableness of the Cancellation Consideration, we have conducted a comparable analysis through identifying listed companies on the Stock Exchange engaging in similar business of EOG with a similar scale (the “**EOG Comparable Companies**”).

In the selection of the EOG Comparable Companies, our selection criteria focuses on companies that (i) are listed on the Main Board of the Stock Exchange; (ii) have a market capitalisation of between HK\$150 million and HK\$600 million (making reference to EOG’s implied market capitalisation of approximately HK\$514.14 million as at the Last Trading Day, which was calculated by HK\$0.924 multiplied by the total issued shares as at Last Trading Day); and (iii) engage mainly in money lending business with substantial presence in Hong Kong, with more than 50% of its revenue geographically derived from Hong Kong.

Scheme Shareholders and EOG Optionholders should note that despite the aforesaid criteria, the business, scale of operation, trading prospect, and capital structure of EOG are not exactly the same as those of the EOG Comparable Companies, and we have not conducted any in-depth investigation into the businesses and operations of the EOG Comparable Companies.

The EOG Comparable Companies below have been selected based on the above criteria, and have been identified through our research using public information. After reasonable enquires and consideration, we believe it is an exhaustive list based on these criteria.

Company name	Stock code	Description of principal businesses	Market capitalisation (HK\$ million) (Note 1)	Price to earnings ratio (“P/E Ratio”) (Note 2)
Hong Kong Finance Group Limited	1273	Engaged in provision of property mortgage loans and personal loans in Hong Kong	182.76	3.29

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Company name	Stock code	Description of principal businesses	Market capitalisation (HK\$ million) (Note 1)	Price to earnings ratio ("P/E Ratio") (Note 2)
Global International Credit Group Limited	1669	Engaged in money lending business in Hong Kong including provision of property mortgage loans and personal loans	250.70	4.01
Power Financial Group Limited	397	Engaged in provision of financial services including securities brokerage, money lending and assets management in Hong Kong	262.88	N/A
Eternity Investment Limited	764	Engaged in property investment, sale of financial assets, money lending, sale of jewellery products in Hong Kong	588.31	N/A
Oi Wah Pawnshop Credit Holdings Limited	1319	Engaged in provision of secured financing business in Hong Kong, including pawn loans and mortgage loans	572.09	5.33
			Maximum:	5.33
			Minimum:	3.29
			Mean:	4.21
			Median:	4.01
EOG	221	Engaged in provision of finance and securities brokerage services in Hong Kong and property development in the PRC	249.14 (Note 3) Implied: 514.14 (Note 4)	6.01 (Note 5) Implied: 12.40 (Note 6)

Source: The Stock Exchange website (www.hkex.com.hk)

Notes:

1. Calculated based on the average closing share price over the 120 trading days prior to the Last Trading Day and number of shares in issue as at the date of the respective companies' latest published annual/interim report sourced from the website of Stock Exchange.

2. P/E Ratio is calculated based on the respective market capitalisation divided by their respective profit reported in the respective companies' latest published annual/interim report.
3. The market capitalisation of EOG is calculated by multiplying the total number of issued shares as at the date of EOG 2020 Annual Report with the average closing share price of EOG over the 120 trading days prior to the Last Trading Day.
4. The implied market capitalisation of EOG is implied by the Cancellation Consideration, which was HK\$514.14 million as at the Last Trading Day.
5. The P/E Ratio of EOG is calculated based on its market capitalisation divided by profit for the year as published in the EOG 2020 Annual Report. Please note that EOG would have recorded a profit of approximately HK\$40.37 million in FY2020 after adjustment of the one-off gain on disposal of subsidiaries.
6. The implied P/E Ratio of EOG is calculated based on the implied market capitalisation divided by the profit published in the EOG 2020 Annual Report. The implied P/E Ratio of EOG based on the Cancellation Consideration would be 12.40 times.

As shown in the table above, the P/E Ratios of the EOG Comparable Companies range from approximately 3.29 times to 5.33 times, with the mean and median being approximately 4.21 times and 4.01 times respectively. The implied P/E Ratio of EOG based on the EOG Share Offer Price is approximately 12.40 times, which is significantly higher than those of the EOG Comparable Companies. Henceforth, from a P/E ratio analysis standpoint, the Cancellation Consideration is attractive as the implied valuation of EOG based on this price is generally higher than those of the EOG Comparable Companies.

Given EOG and the EOG Comparable Companies are all engaged mainly in money lending business with substantial presence in Hong Kong, we have conducted one of the commonly used multiples analyses on listed companies including those engaged mainly in money lending business, that is P/E Ratios analysis on the EOG Comparable Companies versus the implied valuation of EOG based on the Cancellation Consideration.

We wish to supplement that we have not performed price-to-book ratio analysis on the EOG Comparable Companies given most of them do not engage in property development and investment holdings business. Although EOG also engages in property investment, the revenue contribution of this segment is insignificant compared to its money-lending business.

3.4. Net asset value comparison

Apart from the share price analysis above, we also considered the net asset value (“NAV”) per EOG Share that the Scheme Shareholders are giving up, as well as the aggregate value per Scheme Share (representing the NAV per eight (8) WOG Shares plus the Scheme Cash Consideration) (“**Aggregate Value per Scheme Share**”) that the Scheme Shareholders are getting in return, should the Scheme become effective.

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For illustration purposes, the NAV of EOG and Aggregate Value per Scheme Share as at 31 March 2020 are reassessed based on the valuation of their respective properties as at 31 May 2020. Set out below are the calculations of the reassessed NAV per EOG Share and reassessed Aggregate Value per Scheme Share as at 31 March 2020.

Calculations of EOG's reassessed NAV per EOG Share

	<i>HK\$ million</i>
Total market value as at 31 May 2020 of the properties held by EOG Group as at 31 March 2020 attributable to EOG Shareholders	417.8
– less carry amount of the properties held by EOG Group as at 31 March 2020 attributable to EOG Shareholders	<u>346.4</u>
Revaluation surplus	<u><u>71.4</u></u>
	<i>HK\$ million</i>
EOG Group consolidated NAV attributable to EOG Shareholders as at 31 March 2020	1,088.3
– add revaluation surplus	<u>71.4</u>
Reassessed EOG Group NAV attributable to EOG Shareholders as at 31 March 2020	<u><u>1,159.7</u></u>
Reassessed NAV per EOG Share as at 31 March 2020 (HK\$)	<u><u>2.08</u></u>

Calculations of reassessed Aggregate Value per Scheme Share

	<i>Notes</i>	<i>HK\$ million</i>
Total market value as at 31 May 2020 of the properties held by WOG Group as at 31 March 2020 attributable to WOG Shareholders	1	8,978.9
– less carry amount of the properties held by WOG Group as at 31 March 2020 attributable to WOG Shareholders		<u>8,515.5</u>
Revaluation surplus		<u><u>463.4</u></u>
		<i>HK\$ million</i>
WOG Group consolidated NAV attributable to WOG Shareholders as at 31 March 2020		5,862.8
– less investment in EOG attributable to WOG Shareholders	2	(37.0)
– add Scheme Cash Consideration attributable to WOG Shareholders	2	28.2
– add revaluation surplus		<u>463.4</u>
Reassessed WOG Group NAV attributable to WOG Shareholders as at 31 March 2020	3	<u><u>6,317.4</u></u>
Reassessed NAV per WOG Share as at 31 March 2020 (HK\$)		<u>0.36</u>
Reassessed NAV per eight (8) WOG Shares as at 31 March 2020 (HK\$)		<u><u>2.88</u></u>
– add Scheme Cash Consideration (HK\$)	4	<u>0.30</u>
Reassessed Aggregate Value per Scheme Share (HK\$)	3	<u><u>3.18</u></u>

Notes:

- For a fair comparison, various adjustments were made to the valuation of WOG's properties as at 31 May 2020 to reflect the condition and status of WOG's properties as at 31 March 2020. Elements such as construction in progress or property unit sales subsequent to 31 March 2020 were taken out and adjusted in the calculation.

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2. Scheme Cash Consideration attributable to WOG Shareholders represents the cash WOG will receive as a result of the Proposal of HK\$48,515,587.5, adjusted for the non-controlling interests of WYT of approximately 41.92%. Investment in EOG was also adjusted for the non-controlling interests of WYT.
3. With reference to WOG's litigation relating to Baishazhou Agricultural (for further details, please refer to the section headed "7. Material litigation" in Appendix II to the Scheme Document), the potential impact to the reassessed NAV of WOG Group is insignificant. For illustration purpose, in the event where Baishazhou Agricultural ceased to be a subsidiary of CAP, the reassessed WOG Group NAV attributable to WOG Shareholders would be approximately HK\$6,008.4 million (based on WOG's effective interests in Baishazhou Agricultural), and the reassessed Aggregate Value per Scheme Share would be approximately HK\$3.10. Furthermore, if the corresponding cancellation of provision and interest payables were also taken into account (please refer to point (b) on page 13 of Appendix II to the Scheme Document), WOG Group's NAV would be impacted by a lesser extent and the resultant effect to the reassessed Aggregate Value per Scheme Share would be even smaller than the scenario mentioned above.
4. This Scheme Cash Consideration represents the cash that the Disinterested Scheme Shareholders will receive as a result of the Proposal.

Based on the reassessed NAV attributable to owners of WOG (adjusting the investment in EOG) per WOG Share as at 31 March 2020, the reassessed Aggregate Value per Scheme Share was approximately HK\$3.18. Such value represents a premium of approximately 52.9% over the reassessed NAV per EOG Share as at 31 March 2020 of approximately HK\$2.08. As such, from the NAV analysis perspective, we believe the reassessed Aggregate Value per Scheme Share is attractive, and therefore the Proposal and Cancellation Consideration is fair and reasonable so far as the Disinterested Scheme Shareholders are concerned.

4. Liquidity of EOG Shares and WOG Shares

Set out below are the average daily trading volume in EOG Shares and WOG Shares over the periods prior to the Last Trading Day:

Liquidity of EOG Shares and WOG Shares

	EOG	WOG
Over past one month		
Average daily trading volume (<i>number of shares</i>)	3,395,112	13,748,912
% of issued share capital	0.61%	0.08%
% of shares held in public	0.86%	0.19%
Over past three months		
Average daily trading volume (<i>number of shares</i>)	1,904,467	7,595,789
% of issued share capital	0.34%	0.04%
% of shares held in public	0.48%	0.10%
Over past six months		
Average daily trading volume (<i>number of shares</i>)	1,412,701	4,817,180
% of issued share capital	0.25%	0.03%
% of shares held in public	0.36%	0.06%
Over past one year		
Average daily trading volume (<i>number of shares</i>)	1,435,664	10,244,668
% of issued share capital	0.26%	0.06%
% of shares held in public	0.36%	0.14%
Over past two years		
Average daily trading volume (<i>number of shares</i>)	1,462,050	23,996,653
% of issued share capital	0.26%	0.14%
% of shares held in public	0.37%	0.32%

Sources: HKEx website

As seen in the table above, while the average liquidity of WOG Shares are generally in line with that of EOG Shares over the past two years, the recent liquidity of WOG Shares are comparatively lower than that of EOG Shares. In general, liquidity for both EOG Shares and WOG Shares are low, ranging from only 0.03% to 0.86% of their respective total issued share capital.

In light of this, while the Proposal may provide an opportunity for the Scheme Shareholders to realise their investment in EOG at a favourable price, the Scheme Shareholders are reminded to take note of the low level of liquidity in both the EOG Shares and WOG Shares. Such liquidity would suggest that any sale of large number of EOG Shares or WOG Shares on the market over a short period of time may be difficult without exerting downward pressure on the prices of EOG Shares and WOG Shares.

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The Scheme Shareholders are reminded that both EOG Shares and WOG Shares are illiquid and the liquidity of WOG Shares (which is part of the Cancellation Consideration) are relatively lower than that of EOG Shares over the past two years prior to the Last Trading Day. Given the liquidity for both EOG and WOG Shares are low, from the perspective of share liquidity, we believe the position of the Scheme Shareholders would not be worse off as a result of the Proposal. The Scheme Shareholders are encouraged to consider other factors such as the intrinsic value behind each Scheme Share (as detailed under the section headed “3.4 Net asset value comparison” of this letter) and the opportunity to enhance the value of their investment through the acceptance of the Proposal, which would be difficult to achieve otherwise.

5. Dividend

Set out below is a table showing the dividend declared by and dividend pay-out ratios of WOG for the past five years since the year ended 31 March 2016.

Dividend declared by and pay-out ratio of WOG since the year ended 31 March 2016

	For the year ended 31 March					
	2016	2017	2018	2019	2020	Average
Dividend declared (<i>HK cents per WOG Share</i>)	0.60	0.60	0.60	0.94	0.60	0.668
Dividend pay-out ratio	26.1%	27.0%	9.2%	40.9%	37.3%	28.1%

As seen from the table above, WOG’s dividend pay-out ratio was approximately 28.1%, with consistent dividend pay-out annually for the past five years while EOG has not distributed any dividend since the year ended 31 March 2014. Scheme Shareholders might have received a dividend income of approximately HK5.34 cents for every eight (8) WOG Shares he holds based on the average dividend declared for the past five years (assuming the final dividend declared for FY2020 is approved at the upcoming AGM of WOG and paid accordingly), as opposed to no dividend for each EOG Share.

The Scheme Shareholders are reminded that the record date for determining entitlement to the proposed final dividend of WOG for FY2020 is 2 September 2020, which is earlier than the Scheme Record Date, being 21 September 2020. Hence, the Scheme Shareholders will not be entitled to the final dividend of WOG Shares for the year ended 31 March 2020.

6. The Option Offer

For the summary of the number of EOG Options and their exercise price as at the Latest Practicable Date, please refer to the above paragraph headed “Principal terms of the Proposal and the Option Offer” in this letter.

We also noted the Irrevocable Option Undertakings given by all the EOG Optionholders regarding the acceptance of the Option Offer.

On the basis that the Option Cancellation Price represented the see-through price between the Cancellation Consideration on the Last Trading Day of HK\$0.924 less the exercise price of HK\$0.48, we consider that the Option Offer to be fair and reasonable so far as the EOG Optionholders are concerned.

7. Privatisation precedents

We have considered past transactions involving privatisation of companies listed on the Stock Exchange (“**Privatisation Precedents**”). As these Privatisation Precedents involved companies from different industries, which therefore have different market fundamentals and prospects, we are of the view that comparison analysis with the Privatisation Precedents is not applicable. In addition, these Privatisation Precedents were conducted at periods of economic cycles and financial market cycles; and depending on the outlook at the point in time, will result in different considerations for Shareholders. Instead, we consider the analysis in the sections above to be more relevant.

RECOMMENDATION

In summary, we have considered the below factors and reasons in reaching our conclusion and recommendation:

- (i) the attractive premium ranging between approximately 44.4% to 106.3% that the Cancellation Consideration represents over the closing price of EOG Shares over the 120 trading days prior to the Last Trading Day;
- (ii) the premium of approximately 52.9% that the reassessed Aggregate Value per Scheme Share of approximately HK\$3.18 represents over the reassessed NAV per EOG Share as at 31 March 2020 of approximately HK\$2.08;
- (iii) based on the comparables analysis (i) the price per WOG Shares may be depressed and the price per share for the eight (8) WOG Shares included in the Cancellation Consideration (i.e. being HK\$0.624) does not appear to be overvalued relative to its peers’ valuation; and (ii) the Cancellation Consideration is attractive as the implied valuation of EOG based is generally higher than those of the EOG Comparable Companies;
- (iv) market uncertainty that EOG faces as the operating environment for businesses continued to be challenging in the foreseeable future, and the corresponding credit risks and unstable market conditions arising in the finance and brokerage services industries;
- (v) the ongoing difficulty and potential privacy concerns that EOG experiences as a finance services provider due to the Listing Rules disclosure requirements, and the foreseeable challenges in securing high-end and reputable customers with strong repayment performance;

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- (vi) the opportunity for Scheme Shareholders to invest in the diversified WOG's business, as well as to participate the potential growth WOG may experience with the complementary new butchery business and expansion into the Greater Bay Area;
- (vii) the illiquidity of both EOG and WOG Shares;
- (viii) the consistent dividend income and attractive dividend pay-out ratio from WOG as opposed to the relatively barren dividend history of EOG (the Scheme Shareholders will not be entitled to the final dividend of WOG Shares for the year ended 31 March 2020);
- (ix) the flexibility that the Scheme Cash Consideration may offer to the Scheme Shareholders to reallocate their investment in EOG at such a turbulent times for finance and brokerage companies into some other investments that they may consider to be more attractive and secure;
- (x) the favourable valuation of the Scheme Shares based on the implied P/E ratio as compared to other comparable companies of EOG in the market; and
- (xi) the P/B ratio of WOG based on the price of WOG Shares as at Latest Practicable Date being below the range of other P/B ratios of comparable companies of WOG in the market, therefore indicating that the price per WOG Shares may be depressed relative to its peers' valuation and are relatively attractive as compared to its peers.

As such, we consider the terms of the Proposal and the Option Offer to be fair and reasonable so far as the Disinterested Scheme Shareholders and EOG Optionholders are concerned. We advise the Independent Board Committee to recommend that (a) the Scheme Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; (b) the EOG Shareholders to vote in favour of the special resolution to approve the implementation of the Scheme at the SGM; and (c) the EOG Optionholders to accept the Option Offer.

As different Scheme Shareholders or EOG Optionholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Scheme Shareholders or EOG Optionholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Jeanny Leung
Executive Director

Leo Tam
Assistant Director

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions.*

*Mr. Leo Tam (“**Mr. Tam**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over five years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

This explanatory statement constitutes the statement required under Section 100 of the Bermuda Companies Act.

1. INTRODUCTION

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. If the Proposal is approved and implemented, (i) EOG will become a direct or indirect wholly-owned subsidiary of Caister; and (ii) the listing of the EOG Shares on the Stock Exchange will be withdrawn.

2. THE PROPOSAL

2.1 Summary of the Proposal

Under the Proposal, it is proposed that on the Effective Date:

- (a) EOG will issue one EOG Share at par to Caister or its designated wholly-owned subsidiary;
- (b) all Scheme Shares held by the Scheme Shareholders will be cancelled in exchange for the payment of the Cancellation Consideration (comprising the Scheme Cash Consideration of HK\$0.30 per Scheme Share and the Consideration Shares on the basis of eight (8) Consideration Shares per Scheme Share);
- (c) immediately after such cancellation, 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);
- (d) EOG will become a direct or indirect wholly-owned subsidiary of Caister; and
- (e) 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.

If, after the Latest Practicable Date and prior to the Effective Date, any dividend or other distributions is made or paid in respect of the Scheme Shares, Caister reserves the right to reduce the Scheme Cash Consideration and the Option Cancellation Price by an amount equal to the amount of such dividend or other distributions after consultation with the Executive. As of the Latest Practicable Date,

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.

If any dividend is declared by EOG on or before the Effective Date with a record date for entitlement to any such dividend which is on or before the Effective Date, EOG Shareholders whose names appear in the register of members of EOG as at the record date for entitlement to any such dividend will be entitled to receive such dividend. If the record date for entitlement to any dividend falls after the Effective Date, only EOG Shareholder(s) whose name(s) appear on the register of members of EOG on such record date will be entitled to such dividend. Immediately after the Effective Date, Caister or any subsidiary(ies) with which it proposes to effect the Proposal will be the only EOG Shareholder(s).

2.2 The Option Offer

Caister is required to 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 is conditional upon the Scheme becoming effective.

For further details of the Option Offer, please refer to the section headed “8. The Option Offer” below and the form of the Option Offer Letter in Appendix VI to this Scheme Document.

2.3 Total consideration

As at the Latest Practicable Date, (i) Caister did not hold any EOG Shares directly and/or indirectly through its wholly-owned subsidiary(ies), and therefore the Scheme Shares comprised all the 556,432,500 EOG Shares in issue; and (ii) the Offeror Concert Parties held in aggregate 161,718,697 EOG Shares, representing approximately 29.06% of the total issued share capital of EOG.

As at the Latest Practicable Date, there were outstanding EOG Options exercisable into 17,800,000 EOG Shares granted under the EOG Share Option Scheme, which were all subject to the Irrevocable Option Undertakings (please refer to the section headed “8. The Option Offer” below).

On the basis of 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 and 556,432,500 Scheme Shares in issue as at the Latest Practicable Date, the Scheme Shares are in aggregate valued at approximately HK\$514.1 million.

Assuming that (i) there being no change to the issued share capital in EOG and no further EOG Options are granted from the Latest Practicable Date up to the Scheme Record Date; and (ii) no Dividend Adjustment is made, the amount of cash required for the Scheme

is HK\$166,929,750.00, the amount of cash required for the Option Offer is HK\$7,903,200.00, and 4,451,460,000 Consideration Shares will be transferred as part of the payment of the Cancellation Consideration upon the Scheme becoming effective.

The total maximum cash consideration payable under the Proposal (including the Scheme and the Option Offer) on the basis described above is HK\$174,832,950.00.

Caister has indicated that it intends to finance the cash required for the Proposal and the Option Offer through the External Financing. The External Financing is secured by, among others, a share charge in favour of Kingston Securities Limited over all of the EOG Shares to be owned by Caister after the Scheme becomes effective in accordance with the loan documentation entered into between Caister and Kingston Securities Limited. Caister does not intend that the payment of interest, or repayment of or security for any liability (contingent or otherwise) or such External Financing, will depend to any significant extent on the business of EOG.

Kingston, the Financial Adviser to Caister, is satisfied that sufficient financial resources are available to Caister for the full implementation of the Proposal and the Option Offer in accordance with their terms.

As stated in the Joint Announcement, 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. As such, EOG Shareholders, EOG Optionholders and potential investors of EOG should be aware that Caister will not increase the Cancellation Consideration and the Option Cancellation Price.

2.4 Comparison of value

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 approximately 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 approximately 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 24.9% over the closing price of HK\$0.740 per EOG Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (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\$1,088.3 million as at 31 March 2020 divided by the total number of 556,432,500 EOG Shares in issue as at the Latest Practicable Date; and
- (h) a discount of approximately 55.7% to the unaudited adjusted consolidated net asset value of approximately HK\$2.084 per EOG Share of the EOG Group as at 31 March 2020, calculated based on the unaudited adjusted consolidated net asset value of the EOG Group attributable to the EOG Shareholders of approximately HK\$1,159.7 million as at 31 March 2020, as adjusted by the value of the property owned by the EOG Group as set out in Appendix VII of this Scheme Document, and divided by the total number of 556,432,500 EOG Shares in issue as at the Latest Practicable Date.

3. CONDITIONS TO THE PROPOSAL

The implementation of 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:

- (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;

- (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 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 WOG Shareholders at the WOG SGM to approve the WYT Disposal;
- (g) the passing of an ordinary resolution by the Independent WYT Shareholders at the WYT 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;
- (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 Announcement Date, 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.

Conditions (a) to (g) cannot be waived in any event. Caister reserves the right (but is not obliged) to waive Conditions (h) to (l) either in whole or in part, and either generally or in respect of any particular matter. EOG has no right to waive any of the Conditions.

In respect of Condition (h), as at the Latest Practicable Date, Caister and EOG do not foresee any necessary Authorisations required in connection with the Proposal from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong and any other relevant jurisdictions, save for the Authorisations already set out above as separate Conditions (other than Condition (j)).

In respect of Condition (j), as at the Latest Practicable Date, Caister and EOG are not aware of any consent, approval, authorisation, permission, waiver or exemption from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under applicable laws and regulations, save for the Authorisations already set out above as separate Conditions (other than Condition (h)).

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, Caister may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to Caister in the context of the Proposal.

All of the Conditions will have to be fulfilled or waived (as applicable) 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 will not be implemented and the Scheme will lapse.

As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived.

It is currently expected that, assuming that all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective on Tuesday, 6 October 2020 (Bermuda time) and the listing of the EOG Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Friday, 9 October 2020 pursuant to Rule 6.15 of the Listing Rules. Further announcements will be made in the event of a change of the expected Effective Date of the Scheme.

4. REASONS FOR AND BENEFITS OF THE PROPOSAL

The EOG Group currently focuses on four core businesses, namely (i) provision of finance services; (ii) provision of brokerage services; (iii) rental from property investments in Dongguan, Guangdong Province; and (iv) investment in CAP.

Over the past year, both the finance and brokerage services industries have experienced unprecedented and significant challenges due to the social protest movements and COVID-19 pandemic. Accordingly, Hong Kong retail and small and medium-sized enterprises are severely affected by decline in investments, travel bans and withdrawal of foreign direct investments. This has led to increased credit risks and unstable market conditions for the EOG Group to continue to participate in finance and brokerage services.

Furthermore, the current listed status of the EOG Group poses difficulties on the execution of business:

- (1) the stringent disclosure requirements of the EOG Group, together with its small market capitalisation, may raise privacy concerns on the identity disclosure of certain prime plus customers, including high-end and reputable customers or entities which include successful businessmen and professionals or well established enterprises with strong repayment performance, thus making it more difficult for the EOG Group to secure potential businesses from such customers;
- (2) the share price of EOG in the past 52 weeks ending 4 May 2020 ranged from approximately HK\$0.395 to HK\$0.640 per EOG Share, while the net asset value per EOG Share as at 31 March 2020 was approximately at HK\$1.956, demonstrating a continuously depressed share price for EOG. The EOG Group considers that such depressed share price has an adverse impact on its business development and employee morale, which may affect its growth; and
- (3) the listing of shares requires the EOG Group to bear listing-related administrative and compliance costs, which inhibits the EOG Group's ability to streamline its corporate management.

Hence, the Proposal aims to offer the EOG Group more flexibility in optimising its governance and organisation structure in order to capture its business potential.

The listed status of the EOG Group no longer offers a viable source of funding to develop its business

The average daily trading volume of the EOG Shares for the 120 days up to and including the Last Trading Day was approximately 1.36 million EOG Shares per day, representing only approximately 0.24% of the issued EOG Shares. The present status of the EOG Group as a listed company and its relatively low liquidity of trading in EOG Shares have limited its ability to raise funds from the capital markets. This inhibits the EOG

Group's long-term growth and business development plan. The EOG Group considers that the privatisation of EOG allows the EOG Group to make strategic business decisions to realise the EOG Group's potential value and safeguard the EOG Group's financial stability, free from the share price fluctuations, the professional fee and other listing-related costs and expenses otherwise associated with the status of a publicly listed company.

Providing a good opportunity for the Scheme Shareholders to realise their investment

The Proposal intends to provide the Scheme Shareholders with an opportunity to realise their investment in the EOG Group without having to suffer any illiquidity discount. In addition, under the Proposal, Scheme Shareholders will receive eight (8) WOG Shares in respect of each Scheme Share they hold at the Scheme Record Date. WOG is a conglomerate that engages in more than six lines of business including property development and investment, wet market management, pharmaceutical business and other investments. Further, Scheme Shareholders may also benefit from potentially higher dividend income under the Proposal. Based on the actual cash dividend track record of WOG and EOG since 2003, a Scheme Shareholder would have received a substantially higher dividend income by holding eight (8) WOG Shares compared to holding one Scheme Share. The implementation of the Proposal aims to provide both the EOG Group and the Scheme Shareholders the opportunity to protect their interests and maximise their positions as dire market warnings are piling up.

5. CAISTER'S INTENTION REGARDING THE EOG GROUP

The COVID-19 pandemic, local social protest movements and US-China trade tensions have led to an uncertain and challenging business environment. Accordingly, with respect to the finance and brokerage businesses of the EOG Group, following the implementation of the Proposal, Caister intends to take a more cautious approach. In particular, taking into account the EOG Group's circumstances, Caister currently intends to take a more conservative approach with respect to new customer selection, assessment of customer's credit worthiness and the credit approval process. Upon the Scheme becoming effective, Caister will closely monitor the evolving business environments for the finance and brokerage services of the EOG Group and will respond accordingly in an agile manner.

Caister has no intention to introduce major changes to the disposal of or redeployment of the fixed assets of the EOG Group and in particular Caister intends to retain the investments in the Dongguan property project and CAP. In addition, Caister has no intention to develop new business that is outside the existing businesses of the EOG Group upon the Scheme becoming effective.

Further, Caister does not have any immediate human capital restructuring plan for the EOG Group, but will review staffing periodically to ensure a streamlined and efficiently-structured team.

6. FINANCIAL AND TRADING PROSPECTS OF WOG

The WOG Group is principally engaged in (i) property investment and property development in Hong Kong and the PRC; (ii) management and sub-licensing of fresh markets and agricultural produce exchange markets in Hong Kong and the PRC; (iii) manufacturing and/or retailing of pharmaceutical and health food products in Hong Kong and the PRC; and (iv) treasury management as at the Latest Practicable Date.

WOG, through its non-wholly owned listed subsidiary, WOP, engages in premium property development with a primary focus in Hong Kong residential and commercial property market. 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 are expected to 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 in Hong Kong. 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.

WOG's 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 WOG. WOG 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 by the WYT 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 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 WOG 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. WYT, 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, WYT will closely monitor the performance of its distribution channels and retail network. To maintain WYT'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 WYT. 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 pharmaceutical products, 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, WYT's Western pharmaceutical business is expected to achieve favourable growth driven by the sale of cough syrup to private clinics in Hong Kong and the PRC.

As disclosed in WOG's annual report for the year ended 31 March 2020, the WOG Group's total assets amounted to HK\$19,088.8 million (2019: HK\$16,417.9 million), including total cash and bank balances of HK\$1,584.0 million (2019: HK\$2,318.2 million) as at 31 March 2020. 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. WOG will continue a proactive and prudent investment approach to drive business growth on all business segments.

7. EFFECT OF THE PROPOSAL ON THE SHAREHOLDING STRUCTURE OF EOG

As at the Latest Practicable Date, the authorised share capital of EOG is HK\$200,000,000 divided into 20,000,000,000 EOG Shares of HK\$0.01 each, and EOG has 556,432,500 EOG Shares in issue.

As at the Latest Practicable Date, (i) Caister does not hold any EOG Shares directly and/ or indirectly through its wholly-owned subsidiary(ies), and therefore the Scheme Shares comprise all the 556,432,500 EOG Shares in issue; and (ii) the Offeror Concert Parties hold in aggregate 161,718,697 EOG Shares, representing approximately 29.06% of the total issued share capital of EOG.

The table below sets out the shareholding structure of EOG as at the Latest Practicable Date and immediately upon completion of the Scheme, assuming there are no other changes in the shareholding of EOG between the Latest Practicable Date and the Scheme Record Date:

	As at the Latest Practicable Date		Immediately upon completion of the Scheme	
	<i>Number of EOG Shares</i>	<i>Approximate percentage of the total issued EOG Shares %</i>	<i>Number of EOG Shares</i>	<i>Approximate percentage of the total issued EOG Shares %</i>
Caister (Note 1)	–	–	556,432,501	100
Offeror Concert Parties				
Hearty Limited (Note 2)	160,534,225	28.85	–	–
Suntech Investments Limited (Note 2)	1,184,400	0.21	–	–
Kingston Securities Limited (Note 3)	72	–	–	–
<i>Sub-total:</i>	161,718,697	29.06	–	–
Disinterested Scheme Shareholders				
	394,713,803	70.94	–	–
Total	<u>556,432,500</u>	<u>100</u>	<u>556,432,501</u>	<u>100</u>

Notes:

- As at the Latest Practicable Date, Caister does not hold any EOG Shares directly and/or indirectly through its wholly-owned subsidiary(ies). As part of the implementation of the Proposal, (i) one EOG Share will be allotted and issued to Caister or its designated wholly-owned subsidiary; (ii) the Scheme Shares (being 556,432,500 EOG Shares in issue as at the Latest Practicable Date) will be cancelled and extinguished; and (iii) an equivalent number of EOG Shares will be allotted and issued to Caister and/or its designated wholly-owned subsidiary(ies). Immediately upon completion of these steps, the entire issued share capital of EOG (comprising 556,432,501 EOG Shares) will be held by Caister directly and/or indirectly through its wholly-owned subsidiary(ies).
- Hearty Limited and Suntech Investments Limited are indirect wholly-owned subsidiaries of WYT. As at the Latest Practicable Date, the issued share capital of WYT is indirectly held as to approximately 58.08% by WOG, which is held as to an aggregate of approximately 62.87% by Caister and the Offeror Concert Parties. Hearty Limited and Suntech Investments Limited are therefore presumed to be the Offeror Concert Parties.
- As at the Latest Practicable Date, Kingston Securities Limited (a fellow subsidiary of Kingston, which is the financial adviser to Caister and hence an Offeror Concert Party) holds 72 EOG Shares.

8. THE OPTION OFFER**8.1 The EOG Share Option Scheme and the EOG Options**

The EOG Share Option Scheme was adopted on 21 August 2012. As at the Latest Practicable Date, there were four EOG Optionholders (none of whom being an EOG Shareholder), namely Mr. Chan Chun Hong, Thomas, Ms. Stephanie, Mr. Cheung Wai Kai and Mr. Yeung Kam Cheong holding outstanding EOG Options which were vested and exercisable into an aggregate of 17,800,000 EOG Shares granted under the EOG Share Option Scheme, with an exercise price of HK\$0.48 per EOG Share. As at the Latest Practicable Date, none of Caister and the Offeror Concert Parties holds any EOG Options. Other than such outstanding EOG Options, there are no other options, derivatives, warrants or other securities issued by EOG that are convertible or exchangeable into EOG Shares as at the Latest Practicable Date.

8.2 The Option Offer and the Irrevocable Option Undertakings

Caister is required to 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.

Under the Option Offer, all EOG Options will be cancelled in exchange for the payment of the Option Cancellation Price for each EOG Option tendered in acceptance of the Option Offer, which is calculated as the Cancellation Consideration as at the Last Trading Day of HK\$0.924 minus the exercise price of the EOG Option. On 4 May 2020, each of the four EOG Optionholders, has entered into the Irrevocable Option Undertakings in favour of Caister undertaking, among other things, to accept the Option Offer and not to exercise the EOG Options granted from the date of the Irrevocable Option Undertaking up to the close of the offer period (within the meaning of the Takeovers Code) in respect of the Option Offer. The Irrevocable Option Undertakings will cease to be binding upon the close of the offer period (within the meaning of the Takeovers Code) in respect of the Option Offer. Please refer to the table below for particulars of the EOG Options held by the EOG Optionholders.

The following table sets out the exercise price of all the outstanding EOG Options and the Option Cancellation Price under the Option Offer:

Date of grant	Exercise price (HK\$)	Exercisable period	Option Cancellation Price (HK\$)	Number of EOG Shares into which EOG Options are exercisable
23 February 2018	0.48	23 February 2018 to 22 February 2025	0.444 per EOG Option	17,800,000 <i>(Note)</i>

Note: As at the Latest Practicable Date, (i) Mr. Chan Chun Hong, Thomas (an executive director of EOG, WOG and WYT), Ms. Stephanie (an executive director of EOG and the daughter-in-law of Mr. Tang) and Mr. Cheung Wai Kai (an executive director of EOG and the brother-in-law of Mr. Tang) holds EOG Options which are vested and exercisable into 4.6 million, 4.6 million and 4.6 million EOG Shares respectively; and (ii) Mr. Yeung Kam Cheong, an employee of EOG, holds EOG Options which are vested and exercisable into 4.0 million EOG Shares.

8.3 Payment of the Option Cancellation Price

Each EOG Optionholder as at the Scheme Record Date who accepts the Option Offer and lodges a validly completed Form of Option Offer Acceptance by the prescribed deadline will be entitled to receive the Option Cancellation Price for each EOG Option which is tendered in acceptance of the Option Offer.

Settlement of the Option Cancellation Price to which the EOG Optionholders are entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which Caister may otherwise be, or claim to be, entitled against such EOG Optionholder.

The amount of cash required to fully implement the Option Offer is HK\$7,903,200.

8.4 The Option Offer Letter

The Option Offer Letter setting out the terms and conditions of the Option Offer is being sent separately to the EOG Optionholders. A form of the Option Offer is set out in Appendix VI to this Scheme Document.

8.5 Summary of rights of EOG Optionholders and cancellation of the EOG Options

Pursuant to the EOG Share Option Scheme, upon the Scheme becoming effective, all EOG Options for the time being outstanding will lapse except insofar as previously exercised pursuant to the EOG Share Option Scheme. In light of this and the Irrevocable Option Undertakings, the EOG Board has resolved that:

- (i) any EOG Options (whether vested or unvested) outstanding after the Latest Option Exercise Date and for which no valid Form of Option Offer Acceptance in respect of the Option Offer has been lodged with Tricor Tengis Limited shall automatically lapse on the date immediately after the Effective Date and any EOG Optionholder who does not accept the Option Offer will not receive any cash consideration under the Option Offer; and
- (ii) any EOG Optionholder who tenders a validly completed and executed Form of Option Offer Acceptance to accept the Option Offer by the Latest Option Exercise Date will receive the Option Cancellation Price for each EOG Option which is tendered in acceptance of the Option Offer.

9. INFORMATION ON CAISTER, WOG AND WYT**Information on Caister**

Caister is a company incorporated in the BVI with limited liability and is 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 on 25 November 1993, 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 the WOP Group; (iii) manufacturing and/or retailing of pharmaceutical and health food products through the WYT Group; and (iv) management and sales of properties in agricultural produce exchange markets in the PRC through the CAP Group.

As at the Latest Practicable Date, 17,397,520,047 WOG Shares were 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 (<i>Note 1</i>)	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 (a wholly-owned subsidiary of WYT, which is indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date) (<i>Note 2</i>)	423,000,000	2.43	432,475,200	2.49
Hearty Limited (a wholly-owned subsidiary of WYT, which is indirectly held by WOG as to approximately 58.08% as of the Latest Practicable Date) (<i>Note 2</i>)	–	–	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 (<i>Note 3</i>) (a fellow subsidiary of Kingston, which is the financial adviser to Caister)	540	–	1,116	–
<i>Sub-total</i>	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>

Notes:

1. As at the Latest Practicable Date, Accord Power Limited is wholly owned by Fiducia Suisse SA in its capacity as the trustee of the Tang's Family Trust, of which Mr. Tang is the founder.
2. Hearty Limited and Suntech Investments Limited are EOG Shareholders holding, respectively, 160,534,225 and 1,184,400 EOG Shares, representing approximately 28.85% and approximately 0.21% of all the issued EOG Shares as at the Latest Practicable Date.
3. As at the Latest Practicable Date, Kingston Securities Limited (a fellow subsidiary of Kingston, which is the financial adviser to Caister) held 540 WOG Shares.

Information on WYT

WYT 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, WYT is indirectly held as to approximately 58.08% by WOG. The WYT 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 the CAP Group.

10. 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, EOG is indirectly held as to approximately 29.06% by WYT. 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.

11. SHARE CERTIFICATES, DEALINGS AND LISTING

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with an equivalent number of EOG Shares to be issued to Caister and/or its designated wholly-owned subsidiary(ies)) and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

EOG does not intend to retain its listing on the Stock Exchange. EOG will apply to the Stock Exchange for the withdrawal of the listing of the EOG Shares on the Stock Exchange so that such withdrawal is to take place immediately following the Effective Date.

It is currently expected that dealings in the EOG Shares on the Main Board of the Stock Exchange will cease at 4:10 p.m. on Thursday, 10 September 2020 and the listing of the EOG Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Friday, 9 October 2020. Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the EOG Shares and the day on which the Scheme and the withdrawal of the listing of the EOG Shares will become effective.

12. IF THE PROPOSAL IS NOT APPROVED OR LAPSES

The Proposal will not be implemented and the Scheme will lapse unless all of the Conditions are fulfilled or waived (as applicable) 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).

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.

Under the relevant restrictions of the Takeovers Code relating to the making of subsequent offers, if the Proposal does not become unconditional or is withdrawn or lapses, none of Caister and the Offeror Concert Parties nor any person who is subsequently acting in concert with any of them may, within 12 months from the date on which the Proposal is withdrawn or lapses, announce an offer or possible offer for EOG, except with the consent of the Executive.

13. REGISTRATION AND PAYMENT

13.1 Closure of the register of members of EOG

In order to determine the entitlement of the Scheme Shareholders to the Cancellation Consideration under the Scheme, the register of members of EOG will be closed from Thursday, 17 September 2020 onwards (or such other date as may be notified to the Scheme Shareholders by way of announcement). The Scheme Shareholders should ensure that their EOG Shares are registered or lodged for registration in their names or in the names of their nominees before the closure of the register of members of EOG. EOG's branch share registrar and transfer office in Hong Kong is Tricor Tengis Limited, which is located at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

13.2 Payment of the Cancellation Consideration and despatch of share certificates for Consideration Shares to the Scheme Shareholders

Upon the Scheme becoming effective, payment of the Scheme Cash Consideration for the Scheme Shares and transfer of the Consideration Shares on the basis of eight (8) Consideration Shares per Scheme Share will be made to the Scheme Shareholders whose names appear on the register of members of EOG as at the Scheme Record Date as soon as practicable but in any event within seven Business Days following the Scheme becoming effective. On the basis that the Scheme becomes effective on Tuesday, 6 October 2020

(Bermuda time), cheques for payment of the Scheme Cash Consideration and share certificates in respect of the Consideration Shares under the Scheme are expected to be despatched on or before Thursday, 15 October 2020.

Unless indicated otherwise in writing to EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before the Effective Date, all such cheques and share certificates will be sent by post (by airmail where appropriate) in pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in the register of members of EOG in respect of the joint holding. For Beneficial Owners that hold Scheme Shares through a nominee (other than HKSCC Nominees Limited), cheques and share certificates made out in the name of the nominee will be sent by post in pre-paid envelopes addressed to the nominee. For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, cheques and share certificates will be in envelopes addressed to and made available for collection by HKSCC Nominees Limited. Upon receipt of cheque, HKSCC Nominees Limited will cause such payment to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All such cheques and share certificates will be posted at the risk of the addressees and other person(s) entitled thereto and none of Caister, EOG, Kingston, Altus Capital Limited or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, Caister shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.

EOG shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments from such monies of the sums payable to persons who satisfy EOG that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. On the expiry of six years from the Effective Date, Caister shall be released from any further obligation to make any payments under the Scheme.

Assuming that the Scheme becomes effective, all existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Tuesday, 6 October 2020 (Bermuda time).

Any share certificates of Consideration Shares posted to the Scheme Shareholders pursuant to the Proposal which have been returned or undelivered will be cancelled. The share registrar of WOG may at any time thereafter issue new share certificates in respect of

such Consideration Shares to those Scheme Shareholders who can establish their entitlements to its satisfaction and transfer to them all accrued entitlements from the original date of allotment or transfer, as the case may be, in respect of such Consideration shares, subject to the payment of expenses incurred.

Settlement of the Cancellation Consideration to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which Caister may otherwise be, or claim to be, entitled against any such Scheme Shareholders.

13.3 Payment of the Option Cancellation Price to the EOG Optionholders

If the Option Offer becomes unconditional, the cash consideration under the Option Offer due to the EOG Optionholders who accept the Option Offer in accordance with the terms of the Option Offer will be paid by Caister via cheques sent to the EOG Optionholders at their own risk as soon as possible following the Effective Date but in any event within seven Business Days after the close of the Option Offer.

Settlement of the Option Cancellation Price to which the EOG Optionholders are entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which Caister may otherwise be, or claim to be, entitled against any such EOG Optionholders.

14. OVERSEAS EOG SHAREHOLDERS AND EOG OPTIONHOLDERS

14.1 General

The making and implementation of the Proposal to the Scheme Shareholders and the Option Offer to the EOG Optionholders who are not residents in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and EOG Optionholders, respectively, are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas EOG Optionholders wishing to take any action in relation to the Proposal and the Option Offer respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due from him/her/it in such jurisdiction. The implementation of the Scheme in respect of the Scheme Shareholders and the acceptance of the Option Offer by the EOG Optionholders will be deemed to include a representation and warranty from such persons to Caister and EOG and their respective advisers that those laws and regulatory requirements have been complied with.

Scheme Shareholders, Beneficial Owners and EOG Optionholders residing in jurisdictions other than Hong Kong should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the EOG Shares or the EOG Options, as the case may be. It is emphasised that none of Caister, EOG, Kingston, Altus Capital Limited, any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal or the Option Offer accepts any responsibility in relation to the above.

14.2 Overseas EOG Shareholders and EOG Optionholders in the United States

The Proposal relates to the shares of a Bermuda company listed in Hong Kong and is proposed to be made by means of a scheme of arrangement provided for under the laws of Bermuda. The Proposal is subject to the disclosure requirements and practices applicable in Bermuda to schemes of arrangement, which differ from the disclosure and other requirements of US securities laws. Financial information included in this Scheme Document has been prepared in accordance with Hong Kong Financial Reporting Standards and may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with US Generally Accepted Accounting Principles, which differ in certain respects from Hong Kong Financial Reporting Standards.

It may be difficult for Scheme Shareholders or EOG Optionholders (if any) in the US to enforce their rights and any claim arising out of US federal securities laws, since Caister and EOG are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. Scheme Shareholders or EOG Optionholders in the US may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the Proposal or the Option Offer by any Scheme Shareholders or EOG Optionholders, respectively, who are US taxpayers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Scheme Shareholder and EOG Optionholder is encouraged to consult his, her or its independent professional adviser immediately regarding the tax consequences of acceptance of the Proposal or the Option Offer, respectively.

15. TAXATION**15.1 Certain material Hong Kong tax considerations**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance on the cancellation of the Scheme Shares upon the Scheme becoming effective.

Similarly, as the acceptance of the Option Offer and the payment of the cash consideration pursuant to the Option Offer does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance upon the acceptance of the Option Offer or the payment of the cash consideration pursuant to the Option Offer.

15.2 General

The Scheme Shareholders and the EOG Optionholders, whether in Hong Kong or in other jurisdictions, are encouraged to consult their professional advisers if they are in any doubt as to the taxation implications of the Scheme or the Option Offer and in particular, whether the receipt of the Cancellation Consideration under the Scheme or of the cash consideration under the Option Offer would make such Scheme Shareholder or EOG Optionholder liable to taxation in Hong Kong or in other jurisdictions.

It is emphasised that none of Caister, EOG, Kingston, Altus Capital Limited, any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal or the Option Offer accepts any responsibility in relation to any tax or other effects on, or liabilities of, any person in connection with the Proposal or the Option Offer in Hong Kong or any other jurisdiction.

16. COURT MEETING AND SGM

In accordance with the direction of the Bermuda Court, the Court Meeting will be convened for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modification).

The SGM will be held for the purpose of considering and, if thought fit, passing a special resolution to approve and give effect to, 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).

At the Court Meeting, each holder of Scheme Shares (other than HKSCC Nominees Limited), present and voting either in person or by proxy, is entitled to vote all of the Scheme Shares registered in his/her/its name(s) either FOR the Scheme or AGAINST the Scheme, but not some FOR the Scheme and some AGAINST the Scheme.

Each holder of Scheme Shares is only entitled to submit one proxy form for the Court Meeting. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote both FOR and AGAINST the Scheme, the proxy forms will not be accepted. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote either FOR or AGAINST the Scheme but not both FOR and AGAINST the Scheme, the Chairman of the Court Meeting shall have absolute discretion as to whether or not to accept those proxy forms.

All Scheme Shareholders will be entitled to attend the Court Meeting and vote on the Scheme. However, as the Offeror Concert Parties are not Disinterested Scheme Shareholders, their votes (representing approximately 29.06% of the total issued share capital of EOG as at the Latest Practicable Date) will not be counted for the purpose of satisfying the additional requirements under Rule 2.10 of the Takeovers Code, as set out in Condition (b) in the section headed “3. Conditions to the Proposal” above.

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 Court Meeting and the SGM to protect attendants from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending EOG Shareholder or proxy of the Court Meeting and the SGM 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 EOG Shareholder or proxy is required to wear a surgical mask throughout the Court Meeting and the SGM; and**
- (iii) no food or drink will be served at the Court Meeting and/or 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 EOG Shareholders, particularly any EOG Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Court Meeting and/or the SGM as a proxy to attend and vote on any of the resolutions, instead of attending the Court Meeting and/or the SGM in person. Physical attendance by an EOG Shareholder is not necessary for the purpose of exercising voting rights.

17. DIRECTORS' INTERESTS

As at the Latest Practicable Date, Mr. Chan Chun Hong, Thomas (an executive director of EOG, WOG and WYT), Ms. Stephanie (an executive director of EOG and the daughter-in-law of Mr. Tang) and Mr. Cheung Wai Kai (an executive director of EOG and the brother-in-law of Mr. Tang) held EOG Options which are vested and exercisable into 4.6 million, 4.6 million and 4.6 million EOG Shares respectively. Save as disclosed above, no EOG Director has any direct or indirect interest in the Proposal or the Option Offer.

As at the Latest Practicable Date, Mr. Tang (the sole director of Caister) was interested, or deemed to be interested in 161,718,625 EOG Shares and 10,407,356,772 WOG Shares. For details, see "Appendix II – General Information" to this Scheme Document.

18. RECOMMENDATIONS

18.1 Recommendation of the Independent Financial Adviser

In the letter from Altus Capital Limited, (the Independent Financial Adviser), set out in this Scheme Document, the Independent Financial Adviser has stated that having considered the principal factors and reasons set out in its letter, it considers the terms of the Proposal and the Option Offer to be fair and reasonable so far as the Disinterested Scheme Shareholders and the EOG Optionholders are concerned. Accordingly, the Independent Financial Adviser has advised the Independent Board Committee to recommend (a) the Scheme Shareholders to vote in favor of the resolution to approve the Scheme at the Court Meeting; (b) the EOG Shareholders to vote in favor of the special resolution to approve the implementation of the Scheme at the SGM; and (c) the EOG Optionholders to accept the Option Offer.

Your attention is drawn to the advice and recommendation of the Independent Financial Adviser in Part VI of this Scheme Document.

18.2 Recommendation of the Independent Board Committee

The Independent Board Committee, comprising all independent non-executive directors of EOG who are not interested in the Proposal, namely, Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak, has been established by the EOG Board to make a recommendation to the Scheme Shareholders as to whether the terms of the

Proposals are, or are not, fair and reasonable and as to voting and to the EOG Optionholders as to its views on acceptance of the Option Offer.

The Independent Board Committee, having considered (a) the reasons for, and benefits of, the Proposal and the Option Offer and their effects as set out in this Scheme Document; and (b) the terms of the Proposal and the Option Offer and having taken into account the advice of the Independent Financial Adviser and in particular, the factors, reasons and recommendations set out in the letter from the Independent Financial Adviser in Part VI of this Scheme Document, considers that the terms of the Proposal and the Option Offer are fair and reasonable so far as the Disinterested Scheme Shareholders and the EOG Optionholders are concerned.

Accordingly, the Independent Board Committee recommends that (a) the Scheme Shareholders vote in favor of the resolution to approve the Scheme at the Court Meeting; (b) the EOG Shareholders vote in favor of the special resolution to approve the implementation of the Scheme at the SGM; and (c) the EOG Optionholders accept the Option Offer.

Your attention is drawn to (i) the recommendation of the Independent Board Committee in Part V of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part VI of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

19. ACTIONS TO BE TAKEN

19.1 Actions to be taken by EOG Shareholders

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the SGM are enclosed with copies of this Scheme Document sent to the EOG Shareholders.

Whether or not you will attend the Court Meeting and/or the SGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the SGM, in accordance with the instructions printed on them respectively, and to deposit them at EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

In order to be valid, the **pink** form of proxy for use in connection with the Court Meeting should be lodged not later than 9:30 a.m. on Sunday, 6 October 2020. The **pink** form of proxy may alternatively be handed to the Chairman of the Court Meeting at the Court Meeting. The **white** form of proxy for use in connection with the SGM must be lodged not later than 10:00 a.m. on Sunday, 6 October 2020. The completion and return of the relevant forms of proxy will not preclude you from attending and voting in

person at the relevant meeting should you so wish. In such event, the authority of your proxy for that meeting will be deemed to be revoked.

Even if you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the SGM, you will still be bound by the outcome of the Court Meeting and/or the SGM. You are therefore strongly encouraged to cast your vote.

Voting at the Court Meeting and the SGM will be taken by poll.

If any Scheme Shareholder has questions concerning administrative matters, such as dates, documentation and procedures relating to the Proposal, please call (i) EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at +852 2980 1333; or (ii) 2312 8202, between 9:00 a.m. and 6:00 p.m. on Monday to Friday, excluding public holidays. This hotline cannot and will not provide advice on the merits of the Proposal or the Scheme or give financial or legal advice.

For the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the EOG Shareholders to attend and vote at the SGM, the register of members of EOG will be closed from Thursday, 3 September 2020 to Tuesday, 8 September 2020 (both days inclusive) and, during such period, no transfer of EOG Shares will be effected.

In order to qualify to attend and vote at the Court Meeting and the SGM, all transfers accompanied by the relevant share certificates must be lodged with EOG's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Wednesday, 2 September 2020.

An announcement will be made by EOG in relation to the results of the Court Meeting and the SGM, and if all of the requisite resolutions to approve and implement the Scheme are passed at those meetings, further announcement(s) will be made in relation to, among other things, the results of the Court Hearing of the petition to sanction the Scheme, the Effective Date and the date of withdrawal of the listing of the EOG Shares on the Stock Exchange.

19.2 Actions to be taken by Beneficial Owners whose EOG Shares are deposited in CCASS

If you are a Beneficial Owner whose EOG Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such EOG Shares with, a CCASS Participant regarding voting instructions to be given to such persons; or
- (b) arrange for some or all of such EOG Shares to be withdrawn from CCASS and transferred into your own name, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the SGM.

The procedures for voting by the Investor Participants and other CCASS Participants with respect to EOG Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

19.3 Actions to be taken by Beneficial Owners whose EOG Shares are held by a Registered Owner other than HKSCC Nominees Limited

Except as required by law, no person shall be recognised by EOG as holding any EOG Shares on trust.

If you are a Beneficial Owner whose EOG Shares are registered in the name of a nominee, trustee, depositary or any other authorised custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the EOG Shares beneficially owned by you should be voted at the Court Meeting and/or the SGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the SGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the SGM and for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the EOG Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the SGM.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the SGM shall be in accordance with all relevant provisions in the bye-laws of EOG.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and should be lodged in the manner and before the latest time for lodging the relevant forms of proxy as described in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the SGM will not preclude the Registered Owner from attending and voting in person at the Court Meeting or the SGM. In such event, the authority of such proxy will be deemed to be revoked.

19.4 Action to be taken by EOG Optionholders

The Option Offer Letter is being sent to each EOG Optionholder, together with this Scheme Document and a Form of Option Offer Acceptance. EOG Optionholders may also access the Form of Option Offer Acceptance by downloading such document from www.easystonefg.com or www.hkexnews.com. Any EOG Optionholder who wishes to accept the Option Offer must complete and return the duly completed and executed Form of Option Offer Acceptance to Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and marked "Easy One Financial Group Limited – Option Offer" by not later than 4:00 p.m. on Monday, 5 October 2020 (or such other date and time as may be notified to the EOG Optionholders by or on behalf of Caister). No acknowledgement of receipt of any Form of Option Offer Acceptance or any other document will be given.

EOG Optionholders are encouraged to read the instructions and other terms and conditions of the Option Offer in the Option Offer Letter and in the Form of Option Offer Acceptance.

Any EOG Optionholder who tenders a validly completed and executed Form of Option Offer Acceptance to accept the Option Offer by the prescribed deadline will receive the Option Cancellation Price for each EOG Option which is tendered in acceptance of the Option Offer.

Any EOG Optionholder who does not accept the Option Offer will not receive any cash consideration under the Option Offer, and his/her EOG Options will be cancelled on the date immediately after the Effective Date for no consideration.

19.5 Court Hearing to sanction the Scheme

In accordance with the Bermuda Companies Act, if the resolutions are approved at the Court Meeting and the SGM, EOG must then make a further application to the Bermuda

Court to sanction the Scheme. Caister and EOG cannot implement the Proposal and the Scheme without obtaining this approval from the Bermuda Court.

The Court Hearing is expected to take place on Thursday, 17 September 2020 (Bermuda time). In determining whether to exercise its discretion to sanction the Scheme, the Bermuda Court will determine, among other things, whether the Scheme is fair to the Scheme Shareholders. At the Court Hearing, the Bermuda Court may impose such conditions as it deems appropriate in relation to the Scheme, but may not impose any material changes without the joint consent of Caister and EOG. EOG may consent on behalf of the EOG Shareholders to any modification of the Scheme which the Bermuda Court may think fit to approve or impose.

If the Bermuda Court sanctions the Scheme and if all the other Conditions of the Proposal are fulfilled or waived (as applicable), EOG intends to file the Bermuda Court order sanctioning the Scheme with the Registrar of Companies in Bermuda on Thursday, 17 September 2020 (Bermuda time). This will cause the Scheme to become effective.

Scheme Shareholders (including any Beneficial Owners of such EOG Shares that give voting instructions to a custodian or clearing house that subsequently votes at the Court Meeting) should note that they will be entitled, but are not required, to appear at the Court Hearing expected to take place on Thursday, 17 September 2020 (Bermuda time), at which EOG will seek, among other things, the sanction of the Scheme.

20. COSTS OF THE SCHEME

In light of the recommendation of the Independent Board Committee as set out in Part V of this Scheme Document and the recommendation of the Independent Financial Adviser as set out in Part VI of this Scheme Document, Rule 2.3 of the Takeovers Code is not applicable.

Caister and EOG have agreed that all costs, charges and expenses of the advisers and counsels appointed by EOG, including the Independent Financial Adviser, will be borne by EOG, and all costs, charges and expenses of the advisers and counsels appointed by Caister will be borne by Caister, and Caister and EOG will each bear its other costs, charges and expenses of the Scheme.

21. FURTHER INFORMATION

This Scheme Document will be despatched to the EOG Shareholders and the EOG Optionholders at no cost to them. Sufficient copies of this Scheme Document will also be despatched to CCASS Participants who hold EOG Shares (including, where applicable, Beneficial Owners of EOG Shares) at no cost to them.

In addition, electronic copies of this Scheme Document may be obtained free of charge from EOG's website at www.easystonefg.com and the Stock Exchange's website at www.hkexnews.hk.

Further information is set out in the Appendices to, and elsewhere in, this Scheme Document, all of which form part of this explanatory statement.

In addition to the documents available for inspection set out in Appendix II to this Scheme Document, EOG publishes its annual and interim reports, announcements and other corporate communications on its website at www.easyonefg.com and on the Stock Exchange's website at www.hkexnews.hk. Information published by EOG on the Stock Exchange's website can be found on such website by reference to its stock code or stock name.

You should rely only on the information contained in this Scheme Document in order to vote your EOG Shares at the Court Meeting and the SGM or to decide whether or not to accept the Option Offer. None of Caister, EOG, Kingston, Altus Capital Limited, any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal or the Option Offer has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

EOG Shareholders, EOG Optionholders and potential investors of EOG should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived (as applicable), and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. EOG Shareholders, EOG Optionholders and potential investors of EOG should therefore exercise caution when dealing in the securities of EOG. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

22. GENERAL

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

In case of any inconsistency between the explanatory statement in this Part VII of this Scheme Document and the Scheme set out in Appendix III to this Scheme Document, the Scheme shall prevail.

1. ADVISERS TO CAISTER**Financial Adviser to Caister**

Kingston Corporate Finance Limited
72/F, The Center, 99 Queen's Road Central
Central, Hong Kong

**Legal Adviser to Caister as to
Hong Kong Law**

Sullivan & Cromwell (Hong Kong) LLP
28th Floor, Nine Queen's Road Central
Hong Kong

**Legal Adviser to Caister as to
Bermuda Law**

Conyers Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place
Central, Hong Kong

2. ADVISERS TO EOG**Independent Financial Adviser to the
Independent Board Committee**

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

**Legal Adviser to EOG as to
Hong Kong Law**

Reed Smith Richards Butler
17/F One Island East
18 Westlands Road
Quarry Bay, Hong Kong

**Legal Adviser to EOG as to
Bermuda Law**

Conyers Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place
Central, Hong Kong

Independent property valuers

Asset Appraisal Limited
Rm 901, 9/F, On Hong Commercial Building
No. 145 Hennessy Road
Wanchai, Hong Kong

LCH (Asia-Pacific) Surveyors Limited
17th Floor, Champion Building
287-291 Des Voeux Road Central
Hong Kong

RHL Appraisal Limited
Room 1010, 10/F., Star House
Tsimshatsui, Hong Kong

**APPENDIX I FINANCIAL INFORMATION OF THE EOG GROUP AND
THE WOG GROUP**

1. FINANCIAL SUMMARY OF THE EOG GROUP

The following summary financial information of the EOG Group for the years ended 31 March 2018, 2019 and 2020 is extracted from, respectively the audited consolidated financial statements of the EOG Group as set forth in the 2018, 2019 and 2020 annual report, respectively.

	Years ended 31 March		
	2018	2019	2020
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Revenue	200,774	130,761	113,393
Profit/(loss) before taxation	(165,534)	75,007	45,987
Income tax	(9,762)	(4,628)	(4,526)
Profit/(loss) attributable to:			
owners of EOG	(175,743)	70,379	41,461
non-controlling interests	447	–	–
Total comprehensive income/(loss) attributable to:			
owners of EOG	(76,849)	(47,646)	(25,849)
non-controlling interests	447	–	–
Dividend paid	–	–	–
Dividend declared per EOG Shares (<i>HK cents</i>)	–	–	–
Earnings/(loss) per EOG Shares:			
basic and diluted (<i>HK cents</i>)	(35.82)	12.65	7.45

The auditor's reports issued by HLB Hodgson Impey Cheng Limited in respect of the EOG Group's audited consolidated financial statements for the years ended 31 March 2018, 2019 and 2020 did not contain any modified opinion, emphasis of matter or material uncertainty relating to going concern.

Save as disclosed above, there are no other items of income or expense which are material to the EOG Group for each of the three years ended 31 March 2018, 2019 and 2020.

APPENDIX I FINANCIAL INFORMATION OF THE EOG GROUP AND THE WOG GROUP

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EOG GROUP FOR THE THREE YEARS ENDED 31 MARCH 2018, 2019 AND 2020

EOG is required to set out or refer to in this Scheme Document the consolidated statement of profit or loss, the consolidated statement of financial position, the consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the EOG Group for the year ended 31 March 2018 (the “**2018 EOG Financial Statements**”); (ii) the audited consolidated financial statements of the EOG Group for the year ended 31 March 2019 (the “**2019 EOG Financial Statements**”); and (iii) the audited consolidated financial statements of the EOG Group for the year ended 31 March 2020 (the “**2020 EOG Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2018 EOG Financial Statements are set out from pages 58 to 143 in the annual report of EOG for the year ended 31 March 2018 (the “**2018 EOG Annual Report**”) which was published on 26 July 2018 on the websites of the Company (<http://www.easyonefg.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0726/ltm20180726651.pdf>).

The 2019 EOG Financial Statements are set out from pages 109 to 265 in the annual report of EOG for the year ended 31 March 2019 (the “**2019 EOG Annual Report**”) which was published on 30 July 2019 on the websites of the Company (<http://www.easyonefg.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltm20190730459.pdf>).

The 2020 EOG Financial Statements are set out from pages 121 to 269 in the annual report of EOG for the year ended 31 March 2020 (the “**2020 EOG Annual Report**”) which was published on 22 July 2020 on the websites of the Company (<http://www.easyonefg.com/>) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0722/2020072200757.pdf>).

The 2018 EOG Financial Statements, the 2019 EOG Financial Statements and the 2020 EOG Financial Statements (but not any other part of the 2018 EOG Annual Report, the 2019 EOG Annual Report and the 2020 EOG Annual Report in which they respectively appear) are incorporated by reference into the Scheme Document and form part of this Scheme Document.

3. INDEBTEDNESS STATEMENT IN RELATION TO EOG GROUP

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 prior to the printing of this circular, the EOG Group had outstanding borrowings of approximately HK\$127.6 million and lease liabilities of approximately HK\$5.3 million. These borrowings comprised (i) secured bank borrowings of approximately HK\$56.2 million; and (ii) secured interest-bearing loan of approximately HK\$71.4 million.

The EOG Group’s secured bank loans bear contractual interest rate of approximately 6.1% per annum. The secured bank loans were secured by the EOG Group’s stock of properties or

APPENDIX I FINANCIAL INFORMATION OF THE EOG GROUP AND THE WOG GROUP

corporate guarantee from the EOG or a subsidiary of the EOG. According to the consolidated management account of the EOG Group, the carrying values of the EOG Group's stock of properties as at 31 May 2020, which were pledged to secure the EOG Group's secured bank loans, amounted to approximately HK\$344.5 million.

The secured interest-bearing loan carry interest of approximately 7.8% per annum. The secured interest-bearing loan was secured by the EOG Group's loan receivables. The carrying values of the EOG Group's loan receivable as at 31 May 2020, which was pledged to secure the EOG Group's secured interest-bearing loan, amounted to approximately HK\$79.0 million.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the EOG 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 any finance lease commitments or material contingent liabilities.

Save as disclosed above, the EOG Directors were not aware of any material changes in the indebtedness and contingent liabilities of the EOG Group after 31 May 2020 and up to the Latest Practicable Date.

4. MATERIAL CHANGE IN RESPECT OF THE EOG GROUP

The EOG Directors confirm that save for the following matters, there had been no material change in the financial or trading position or outlook of the EOG Group since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the EOG Group were made up, and up to and including the Latest Practicable Date:

The loan receivables of EOG decreased from approximately HK\$555.9 million as at 31 March 2020, to approximately HK\$449.8 million as at 31 May 2020. Such decrease was due to the more prudent approach taken by EOG in approving loan applications by intending customers in view of the outbreak of COVID-19 and economic slowdown.

**APPENDIX I FINANCIAL INFORMATION OF THE EOG GROUP AND
THE WOG GROUP**

5. FINANCIAL SUMMARY OF THE WOG GROUP

The following summary financial information of the WOG Group for the years ended 31 March 2018, 2019 and 2020 is extracted from, respectively the audited consolidated financial statements of the WOG Group as set forth in the 2018, 2019 and 2020 annual report, respectively.

	Years ended 31 March		
	2018	2019	2020
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Revenue	2,620,998	4,009,075	3,440,723
Profit before taxation	1,835,049	1,065,191	585,819
Income tax	(69,055)	(171,800)	(146,117)
Profit/(loss) attributable to:			
owners of WOG	1,223,444	419,782	275,805
non-controlling interests	542,550	473,609	163,897
Total comprehensive income/(loss) attributable to:			
owners of WOG	1,249,250	284,728	17,475
non-controlling interests	555,069	405,426	68,911
Dividend paid	111,861	109,931	163,509
Dividend declared per WOG Share (<i>HK cents</i>)	0.60	0.94	0.60
Earnings per WOG Share:			
basic and diluted (<i>HK cents</i>)	6.52	2.3	1.61

The auditor's reports issued by Ernst & Young in respect of the WOG Group's audited consolidated financial statements for the years ended 31 March 2018, 2019 and 2020 did not contain any modified opinion, emphasis of matter or material uncertainty relating to going concern.

Save as disclosed above, there are no other items of income or expenses which are material to the WOG Group for each of three years ended 31 March 2018, 2019 and 2020.

APPENDIX I FINANCIAL INFORMATION OF THE EOG GROUP AND THE WOG GROUP

6. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE WOG GROUP FOR THE THREE YEARS ENDED 31 MARCH 2018, 2019 AND 2020

Caister is required to set out or refer to in this Scheme Document the consolidated statement of profit or loss, the consolidated statement of financial position, the consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the WOG Group for the year ended 31 March 2018 (the “**2018 WOG Financial Statements**”); (ii) the audited consolidated financial statements of the WOG Group for the year ended 31 March 2019 (the “**2019 WOG Financial Statements**”); and (iii) the audited consolidated financial statements of the WOG Group for the year ended 31 March 2020 (the “**2020 WOG Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2018 WOG Financial Statements, together with the applied principal accounting policies, are set out from pages 75 to 206 in the annual report of WOG for the year ended 31 March 2018 (the “**2018 WOG Annual Report**”) which was published on 26 July 2018 on the websites of WOG (www.wangon.com) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0726/lt20180726510.pdf>).

The 2019 WOG Financial Statements, together with the applied principal accounting policies, are set out from pages 141 to 369 in the annual report of WOG for the year ended 31 March 2019 (the “**2019 WOG Annual Report**”) which was published on 30 July 2019 on the websites of WOG (www.wangon.com) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/lt20190730780.pdf>).

The 2020 WOG Financial Statements, together with the applied principal accounting policies, are set out from pages 160 to 416 in the annual report of WOG for the year ended 31 March 2020 (the “**2020 WOG Annual Report**”) which was published on 22 July 2020 on the websites of WOG (www.wangon.com) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0722/2020072200434.pdf>).

The 2018 WOG Financial Statements, the 2019 WOG Financial Statements and the 2020 WOG Financial Statements (but not any other part of the 2018 WOG Annual Report, the 2019 WOG Annual Report and the 2020 WOG Annual Report in which they respectively appear) are incorporated by reference into the Scheme Document and form part of this Scheme Document.

APPENDIX I FINANCIAL INFORMATION OF THE EOG GROUP AND THE WOG GROUP

7. INDEBTEDNESS STATEMENT IN RELATION TO THE WOG GROUP

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 WOG Group had the following indebtedness:

- (a) outstanding bank and other borrowings, bonds, convertible bonds and promissory note of approximately HK\$6,738.2 million, of which bank loans with an aggregate amount of approximately HK\$3,563.8 million were secured by the WOG Group's land and buildings, investment properties and certain rental income generated therefrom, properties under development, properties held for sale, equipment, stock of properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and share charges in respect of the entire interests of certain subsidiaries of the WOG Group, which are engaged in property development;
- (b) lease liabilities amounting to approximately HK\$788.8 million;
- (c) the WOG Group also provided guarantee(s) to banks in respect of banking facilities extended to joint ventures in an amount not exceeding approximately HK\$2,196.5 million and which were utilised to the extent of HK\$1,075.8 million as at 31 May 2020; and
- (d) the WOG Group also provided guarantee(s) to banks in respect of loans provided by the bank to the customers of the WOG Group 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 WOG 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.

8. MATERIAL CHANGE IN RESPECT OF WOG

The WOG Directors confirm that, save and except for as disclosed in the section headed "Prospects" in the annual results announcement of WOG for the year ended 31 March 2020 in relation to the impact of COVID-19 pandemic on the pharmaceutical and health food products business of the WOG Group, there had been no material change in the financial or trading position or outlook of the WOG Group since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the WOG Group were made up, and up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENTS

The information contained in this Scheme Document relating to the EOG Group has been supplied by EOG. The issue of this Scheme Document has been approved by the EOG Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to Caister and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those opinions expressed by the sole director of Caister) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The information contained in this Scheme Document relating to Caister and the Offeror Concert Parties has been supplied by Caister. The issue of this Scheme Document has been approved by the sole director of Caister, who accepts full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the EOG Group) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Scheme Document (other than those expressed by the directors of EOG) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF EOG

As at the Latest Practicable Date:

- (a) the authorised share capital of EOG was HK\$200,000,000 divided into 20,000,000,000 EOG Shares of HK\$0.01 each;
- (b) the issued share capital of EOG was HK\$5,564,325.00 divided into 556,432,500 EOG Shares;
- (c) EOG had not issued or repurchased any EOG Shares since 31 March 2020, being the end of the last financial year of EOG, up to the Latest Practicable Date;
- (d) all of the EOG Shares ranked pari passu in all respects as regards rights to capital, dividends and voting;
- (e) there were outstanding EOG Options exercisable into an aggregate of 17,800,000 EOG Shares granted under the EOG Share Option Scheme. For further details of the EOG Options, please refer to the section headed “8. The Option Offer” in the explanatory statement in Part VII of this Scheme Document; and
- (f) other than those disclosed in paragraph (e) above, there were no other options, derivatives, warrants or other securities convertible or exchangeable into EOG Shares which were issued by EOG.

3. SHARE CAPITAL OF WOG

As at the Latest Practicable Date:

- (a) the authorised share capital of WOG was HK\$400,000,000 divided into 40,000,000,000 WOG Shares of HK\$0.01 each;
- (b) the issued share capital of WOG was HK\$173,975,200.47 divided into 17,397,520,047 WOG Shares;
- (c) WOG had not undergone any re-organisation of capital within two years preceding the Announcement Date and up to the Latest Practicable Date;
- (d) no WOG Shares were issued or repurchased during the period from 31 March 2020, being the end of the last financial year of WOG, up to the Latest Practicable Date;
- (e) all of the WOG Shares ranked *pari passu* in all respects with each other, including in particular, as to dividends, voting rights and capital; and
- (f) there were no options, derivatives, warrants or other securities convertible or exchangeable into WOG Shares which were issued by WOG.

4. MARKET PRICES OF THE EOG SHARES

4.1 EOG Shares

The table below sets out the closing price of the EOG Shares as quoted on the Stock Exchange on (i) the last trading day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price for each EOG Share (HK\$)
29 November 2019	0.420
31 December 2019	0.450
31 January 2020	0.435
28 February 2020	0.435
31 March 2020	0.500
29 April 2020	0.485
4 May 2020 (Last Trading Day)	0.640
29 May 2020	0.600
30 June 2020	0.740
31 July 2020	0.770
7 August 2020 (Latest Practicable Date)	0.740

During the Relevant Period, the highest and lowest closing prices of the EOG Shares as quoted on the Stock Exchange were, respectively, HK\$0.790 per EOG Share on 28 July 2020 and HK\$0.395 per EOG Share on 3 and 4 December 2019.

5. MARKET PRICES OF THE WOG SHARES**5.1 WOG Shares**

The table below sets out the closing price of the WOG Shares as quoted on the Stock Exchange on (i) the last trading day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price for each WOG Share (HK\$)
29 November 2019	0.084
31 December 2019	0.083
31 January 2020	0.074
28 February 2020	0.075
31 March 2020	0.060
29 April 2020	0.077
4 May 2020 (Last Trading Day)	0.078
29 May 2020	0.073
30 June 2020	0.074
31 July 2020	0.070
7 August 2020 (Latest Practicable Date)	0.071

During the Relevant Period, the highest and lowest closing prices of the WOG Shares as quoted on the Stock Exchange were, respectively, HK\$0.087 per WOG Share on 8 November 2019, and HK\$0.053 per WOG Share on 23 March 2020.

6. DISCLOSURE OF INTERESTS

6.1 Interests held by Mr. Tang in the securities of WOG and EOG

(a) Interest in WOG

As at the Latest Practicable Date, save as disclosed below, Mr. Tang (the sole director and the sole shareholder of Caister) was not interested, or deemed to be interested, in any WOG Shares, or any convertible securities, warrants, options or derivatives in respect of any WOG Shares. For the purposes of this paragraph, “interested” and “interests” have the same meanings given to those terms in Part XV of the SFO.

Capacity/nature of interest	Number of WOG Shares	Long/short position	Approximate percentage of WOG’s total issued share capital as at the Latest Practicable Date
Interest in controlled corporation	10,407,356,772 ⁽¹⁾	Long	59.82%

Note:

- As at the Latest Practicable Date, Mr. Tang was taken to be interested in WOG Shares as he was taken to be interested in an aggregate of 10,407,356,772 WOG Shares (representing approximately 59.82% of WOG Shares), by virtue of (i) his own beneficial holding of 28,026,339 WOG Shares (representing approximately 0.16% of WOG Shares); (ii) the shareholding interests of Mr. Tang’s spouse in WOG of 28,026,300 WOG Shares (representing approximately 0.16% of WOG Shares); (iii) his deemed interests by virtue of being the founder of Tang’s Family Trust of 4,989,928,827 WOG Shares (representing approximately 28.68% of WOG Shares); (iv) the shareholding interests of Caister in WOG of 4,938,375,306 WOG Shares (representing approximately 28.39% of WOG Shares); and (v) the shareholding interests in Suntech Investments Limited (an indirect wholly-owned subsidiary of WYT) of 423,000,000 WOG Shares (representing approximately 2.43% of WOG Shares).

(b) Interests in EOG

As at the Latest Practicable Date, save as disclosed below, Mr. Tang (the sole director and the sole shareholder of Caister) was not interested, or deemed to be interested, in any EOG Shares, or any convertible securities, warrants, options or derivatives in respect of any EOG Shares. For the purposes of this paragraph, “interested” and “interests” have the same meanings given to those terms in Part XV of the SFO.

Capacity/nature of interest	Number of EOG Shares	Long/short position	Approximate percentage of EOG’s total issued share capital as at the Latest Practicable Date
Interest in controlled corporation	161,718,625 ⁽²⁾	Long	29.06%

Note:

- As at the Latest Practicable Date, Hearty Limited and Suntech Investments Limited held 160,534,225 EOG Shares (representing approximately 28.85% of EOG Shares) and 1,184,400 EOG Shares (representing approximately 0.21% of EOG Shares), respectively. Both companies were wholly-owned subsidiaries of Total Smart Investments Limited. Total Smart Investments Limited was a wholly-owned subsidiary of WYT. WYT was held as to approximately 58.08% by Rich Time Strategy Limited. Rich Time Strategy Limited was a wholly-owned subsidiary of Wang On Enterprises (BVI) Limited which was in turn wholly owned by WOG. Mr. Tang was taken to be interested in WOG Shares as he was taken to be interested in an aggregate of 10,407,356,772 WOG Shares (representing approximately 59.82% of WOG Shares), by virtue of (i) his own beneficial holding of 28,026,339 WOG Shares (representing approximately 0.16% of WOG Shares); (ii) the shareholding interests of Mr. Tang’s spouse in WOG of 28,026,300 WOG Shares (representing approximately 0.16% of WOG Shares); (iii) his deemed interests by virtue of being the founder of Tang’s Family Trust of 4,989,928,827 WOG Shares (representing approximately 28.68% of WOG Shares); (iv) the shareholding interests of Caister in WOG of 4,938,375,306 WOG Shares (representing approximately 28.39% of WOG Shares); and (v) the shareholding interests in Suntech Investments Limited (an indirect wholly-owned subsidiary of WYT) of 423,000,000 WOG Shares (representing approximately 2.43% of WOG Shares).

6.2 Other interests in the securities of WOG and EOG

As at the Latest Practicable Date, save as disclosed in the section headed “6. Disclosure of Interests” in this Appendix II and the sections headed “7. Effect of the Proposal on the shareholding structure of EOG”, “9. Information on Caister, WOG and WYT” and “17. Directors’ interests” in the explanatory statement in Part VII of this Scheme Document:

- (a) none of Caister or the Offeror Concert Parties owned or had control or direction over any WOG Shares, or convertible securities, warrants, options or derivatives of WOG Shares;
- (b) none of Caister or the Offeror Concert Parties owned or had control or direction over any EOG Shares, or convertible securities, warrants, options or derivatives of EOG Shares;
- (c) none of EOG or any EOG Directors was interested in any WOG Shares, or convertible securities, warrants, options or derivatives of WOG Shares;
- (d) none of the EOG Directors was interested in any EOG Shares or any convertible securities, warrants, options or derivatives in respect of the EOG Shares;
- (e) none of the subsidiaries of EOG, any pension fund of the EOG Group or any person who is presumed to be acting in concert with EOG by virtue of class (5) of the definition of acting in concert or who is an associate of EOG by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled any EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of EOG Shares or WOG Shares;
- (f) no person had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with EOG or with any person who is presumed to be acting in concert with EOG by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of EOG by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code;
- (g) no EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares, were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with EOG;
- (h) Mr. Chan Chun Hong, Thomas, Ms. Stephanie and Mr. Cheung Wai Kai have on 4 May 2020 entered into the Irrevocable Option Undertakings undertaking to Caister to, among other things, accept the Option Offer;

- (i) none of EOG or any of the EOG Directors had borrowed or lent any EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares, save for any borrowed shares which had been either on-lent or sold;
- (j) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between Caister, or any of the Offeror Concert Parties, and any other person;
- (k) there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code between Caister, or any of the Offeror Concert Parties, and any other person;
- (l) none of Caister or any of the Offeror Concert Parties had borrowed or lent any EOG Shares or WOG Shares; and
- (m) none of Mr. Chan Chun Hong, Thomas, Ms. Stephanie, Mr. Cheung Wai Kai or Mr. Yeung Kam Cheong is interested in any WOG Shares, or convertible securities, warrants, options or derivatives of WOG Shares.

6.3 Dealings in the securities of EOG and WOG

During the Relevant Period:

- (a) save for certain dealings in the WOG Shares on behalf of non-discretionary investment clients of Kingston Securities Limited, none of Caister, Mr. Tang, any of the Offeror Concert Parties, EOG or any of the EOG Directors had dealt for value in any EOG Shares or WOG Shares or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares;
- (b) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with Caister or any of the Offeror Concert Parties had dealt for value in any EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares; and
- (c) none of Mr. Chan Chun Hong, Thomas, Ms. Stephanie, Mr. Cheung Wai Kai or Mr. Yeung Kam Cheong had dealt for value in any EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares.

During the period commencing on the Announcement Date and ending on the Latest Practicable Date:

- (a) none of the subsidiaries of EOG, any pension fund of the EOG Group or any person who is presumed to be acting in concert with EOG by virtue of class (5) of the definition of “acting in concert” or who is an associate of EOG by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) had dealt for value in any EOG Shares or WOG Shares or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares;
- (b) no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with EOG or with any person who is presumed to be acting in concert with EOG by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or who is an associate of EOG by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had dealt for value in any EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares; and
- (c) no fund managers (other than exempt fund managers) connected with EOG who managed funds on a discretionary basis had dealt for value in any EOG Shares or WOG Shares, or any convertible securities, warrants, options or derivatives in respect of the EOG Shares or WOG Shares.

6.4 Arrangements with Caister and the Offeror Concert Parties in respect of the Proposal

As at the Latest Practicable Date:

- (a) save for the Irrevocable Option Undertakings, Caister and the Offeror Concert Parties have not received any irrevocable commitment to accept the offer to cancel the Scheme Shares or the EOG Options or to vote for or against the Scheme;
- (b) there were no indemnities or other arrangements of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code exist between Caister or any of the Offeror Concert Parties and any other person;
- (c) there was no agreement or arrangement to which Caister or any of the Offeror Concert Parties is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal;

- (d) save for the Proposal, there was no agreement, arrangement or understanding (including any compensation arrangement) between Caister or any of the Offeror Concert Parties (on the one part) and any of the EOG Directors, recent EOG Directors, EOG Shareholders or recent EOG Shareholders (on the other part) having any connection with or dependence upon the Proposal;
- (e) none of the WOG Directors' emoluments were affected by the Proposal or by any other associated transaction;
- (f) the External Financing is secured by, among others, a share charge in favour of Kingston Securities Limited over all of the EOG Shares to be owned by Caister after the Scheme becomes effective in accordance with the terms of the loan documentation entered into between Caister and Kingston Securities Limited;
- (g) save as disclosed in paragraph 6.4(f) above there was no agreement, arrangement or understanding between Caister and any other person in relation to the transfer, charge or pledge of the EOG Shares acquired pursuant to the Proposal; and
- (h) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any EOG Shareholder; and (ii) (a) Caister and any Offeror Concert Parties; or (b) EOG, its subsidiaries or associated companies.

All Scheme Shareholders will be entitled to attend the Court Meeting and vote on the Scheme. However, as the Offeror Concert Parties are not Disinterested Scheme Shareholders, their votes (representing approximately 29.06% of the total issued share capital of EOG as at the Latest Practicable Date) will not be counted for the purpose of satisfying the additional requirements under Rule 2.10 of the Takeovers Code, as set out in Condition (b) in the section headed "3. Conditions to the Proposal" in the explanatory statement in Part VII of this Scheme Document.

6.5 Service contracts and other interests of the EOG Directors

As at the Latest Practicable Date, there was no agreement or arrangement between any EOG Director and any other person which is conditional on or dependent upon the outcome of the Proposal or the Option Offer or otherwise connected with the Proposal or the Option Offer.

As at the Latest Practicable Date, no material contracts had been entered into by Caister in which any EOG Director has a material personal interest.

As at the Latest Practicable Date, none of the EOG Directors had entered into a service contract with any member of the EOG Group or the associated companies of EOG which:

- (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the Announcement Date;
- (ii) are continuous contracts with a notice period of 12 months or more; or
- (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

As at the Latest Practicable Date, none of the EOG Directors would be or had been given any benefits (save for any statutory compensation required under appropriate laws) as compensation for loss of office or otherwise in connection with the Proposal or the Option Offer.

7. MATERIAL LITIGATION

7.1 EOG Group

As at the Latest Practicable Date, none of EOG and its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against EOG or any other member of the EOG Group.

7.2 WOG Group

Save as disclosed below, as at the Latest Practicable Date, none of WOG and its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against WOG or any other member of the WOG Group.

(A) Proceedings in the PRC and Hong Kong in relation to the acquisition of Wuhan Baishazhou Agricultural By-Product Grand Market Company Limited

Overview

In 2007, CAP entered into sale and purchase agreements (“SPA”) with Ms. Wang Xiu Qun (“**Ms. Wang**”) and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd. (“**Tian Jiu**”) for the acquisition (“**Acquisition**”) of Wuhan Baishazhou Agricultural By-Product Grand Market Company Limited (“**Baishazhou Agricultural**”) for a consideration of approximately HK\$1.2 billion. Subsequent to the Acquisition, CAP becomes the legal owner of Baishazhou Agricultural.

Since then, a number of proceedings have been commenced in the PRC and Hong Kong in relation to the Acquisition with details set out below:

- (1) Writ issued in the PRC by Ms. Wang and Tian Jiu against CAP

Background

In December 2010, CAP received a writ (the “**Writ**”) issued by Ms. Wang and Tian Jiu against CAP, and filed with the Higher People’s Court of Hubei Province (the “**Hubei Court**”) of the PRC. The Writ also joined Baishazhou Agricultural as third party.

Major allegations of Ms. Wang and Tian Jiu as set out in the Writ are detailed as follows:

- (a) it is alleged that Baishazhou Agricultural forged a share transfer agreement (the “**Contended Agreement**”) in relation to the Acquisition, in which the consideration for the Acquisition was understated and the manner of settlement of the consideration was inaccurately described;
- (b) it is alleged that Baishazhou 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.

Latest status

Pursuant to a judgment dated 31 May 2014 issued by the Hubei Court (the “**Hubei Court Judgment**”), the Hubei Court (a) dismissed the claims of Ms. Wang and Tian Jiu, and (b) Ms. Wang and Tian Jiu were ordered to bear the legal costs of the matter.

Pursuant to a notice of appeal to the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”), Ms. Wang and Tian Jiu sought an order from the Supreme People’s Court that the Contended Agreement was void.

Pursuant to a judgment dated 31 December 2014 handed down from the Supreme People's Court (the "**Beijing Judgment**"), the Supreme People's Court ordered that (a) the Hubei Court Judgment be revoked, and (b) the Contended Agreement was void.

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**"). The December 2015 Judgment is final.

Impact on the WOG Group

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 Baishazhou Agricultural. The legal ownership of Baishazhou Agricultural depends on the approval of the Acquisition from MOFCOM and the registration of the transfer of shareholding by the Hubei AIC. CAP continues to be the legal owner of Baishazhou 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.

If event (b)(i) and/or (b)(ii) outlined above do happen, possible impacts may include, but are not limited to, the following:

- (a) Baishazhou Agricultural ceasing to be a subsidiary of CAP. For the 15 months ended 31 March 2020, Baishazhou Agricultural contributed the following to the WOG Group: (i) approximately HK\$230.6 million in revenue; (ii) approximately HK\$108.0 million in profit attributable to owners of CAP; (iii) approximately HK\$1,693.7 million in assets; (iv) approximately HK\$696.4 million in liabilities, and (v) approximately HK\$997.8 million in total equity attributable to owners of CAP;
- (b) CAP cancelling the provision for payment of the two outstanding instruments (the “**Instruments**”) in the respective sale and purchase agreement between CAP and Ms. Wang and Tian Jiu. As at 31 March 2020, the Instruments were recorded at book value of approximately HK\$376.0 million, together with interest payable in the aggregate amount of approximately HK\$642.1 million; and
- (c) CAP may take all necessary actions to seek (i) the return of the remaining balance of approximately HK\$705.6 million, being the consideration paid for the Acquisition, and (ii) the investments made by CAP over the years in Baishazhou Agricultural.

However, at this stage it is premature for CAP to provide any definitive view on the possible overall impact on the WOG Group if events (b)(i) and/or (b)(ii) above occur.

- (2) Writ issued in the PRC by CAP and Baishazhou Agricultural against Ms. Wang, Tian Jiu and others

Background

In 2011, CAP and Baishazhou Agricultural commenced proceedings at the Hubei Court against, inter alia, Ms. Wang and Tian Jiu for the return of assets and operating profits of Baishazhou Agricultural which were (among other things) unlawfully misappropriated with an approximate sum of RMB625 million involved.

Latest status

On 16 October 2014, CAP applied to the Hubei Court to withdraw its claim. CAP's application was granted on 22 October 2014. Baishazhou Agricultural remains as plaintiff.

On 12 January 2016, the Hubei Court issued a notice to the parties, informing the parties that the composition of the judges would be changed.

On 27 March 2017, the Hubei Court made an order that since the outcome of the proceedings against MOFCOM by Ms. Wang and Tian Jiu (see Section (A)(4) 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.

Impact on the WOG Group

Possible impacts may include, but are not limited to, the following:

- (a) If the Hubei Court rules in favour of Baishazhou Agricultural, then assets and operating profits of Baishazhou Agricultural which were (among other things) unlawfully misappropriated with an approximate sum of RMB625 million would be returned to Baishazhou.
 - (b) If the Hubei Court rules in favour of Ms. Wang and Tian Jiu, then assets and operating profits of Baishazhou Agricultural which were (among other things) unlawfully misappropriated with an approximate sum of RMB625 million would not be returned to Baishazhou.
- (3) Writ issued in Hong Kong by CAP against Ms. Wang and Tian Jiu

Background

On 24 October 2011, CAP issued a writ of summons in the Hong Kong Court of First Instance (the "CFI") against Ms. Wang and Tian Jiu. CAP sought damages from Ms. Wang and Tian Jiu for their breach of various provisions of the SPA.

Latest status

On 5 October 2012, CAP obtained a court order from the CFI to the effect that undertakings (the “**Undertakings**”) were given by Ms. Wang and Tian Jiu not to (a) indorse, assign, transfer or negotiate the Instruments, and (b) enforce payment in relation to the SPA by presentation of the Instruments until the final determination of these proceedings 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 CFI, the CFI varied the Undertakings to the effect that the Undertakings shall stand save that Ms. Wang and Tian Jiu can make a counterclaim for, inter alia, re-transfer of shares in Baishazhou Agricultural, 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 CFI to hand down judgment.

Impact on the WOG Group

Possible impacts may include, but are not limited to, the following:

- (a) If the CFI rules in favour of CAP, then damages will be recovered from Ms. Wang and Tian Jiu for their breach of various provisions of the SPA and the same shall be set off against the Instruments.
 - (b) If the CFI rules in favour of Ms. Wang and Tian Jiu, the Court may order for re-transfer of the shares in Baishazhou and Agricultural or enforcement of the Instruments. Potentially there will be material impact. For further details regarding the potential impact, please refer to the section entitled “Impact on the WOG Group” of Section (A)(1).
- (4) Legal proceedings in the PRC by Ms. Wang and Tian Jiu against MOFCOM

Background

On 4 and 5 May 2015, Ms. Wang and Tian Jiu jointly commenced two separate 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, CAP and Baishazhou Agricultural each made an application to join these proceedings as third party. Pursuant to a notice issued by the Beijing Court, each of CAP and Baishazhou Agricultural has been added as a third party.

Pursuant to a decision issued by MOFCOM dated 19 May 2016 (the “**MOFCOM Decision**”), its approval issued in November 2007 in relation to the Contended Agreement shall not be revoked and shall remain to be in force.

Pursuant to a writ dated 3 August 2016, Ms. Wang and Tian Jiu requested the Beijing Court (a) to revoke the MOFCOM Decision, and (b) to order MOFCOM to make a decision to revoke the approval.

Latest status

Pursuant to a judgment issued by the Beijing Court dated 31 March 2017 (the “**31 March Judgment**”), 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.

Pursuant to a notice of appeal dated 8 May 2017, 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.

Pursuant to a judgment issued by the Beijing Higher People’s Court dated 20 December 2018 (the “**20 December Judgment**”), the appeal of Ms. Wang and Tian Jiu was dismissed and the ruling of the Beijing Court as set out in the 31 March Judgment was upheld.

Pursuant to a judgment issued by the Supreme People’s Court dated 31 December 2019 (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 Judgement. The 31 December Judgment is final.

Impact on the WOG Group

Pursuant to the 31 December Judgment, 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.

- (5) Writ issued in the PRC by CAP against Ms. Wang and Tian Jiu

Background

On 22 May 2015, in view of the Beijing Judgment (as disclosed in Section (A)(1) above), CAP issued a writ against Ms. Wang and Tian Jiu, in which CAP seeks an order from the Hubei Court that Ms. Wang and Tian Jiu shall assist Baishazhou Agricultural to discharge its contractual duties under the SPA to make the necessary filing with MOFCOM.

Pursuant 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:

- (a) to confirm that the SPA has been legally made;
- (b) to seek an order from the Hubei Court that Ms. Wang and Tian Jiu shall assist CAP and Baishazhou Agricultural to discharge its contractual duties under the SPA to make the necessary filing with MOFCOM;
- (c) to seek an order from the Hubei Court that, if Ms. Wang and Tian Jiu fail to assist as abovementioned, then CAP and Baishazhou Agricultural shall have the right to make the necessary filing with MOFCOM on their own; and
- (d) to seek an order from the Hubei Court that Ms. Wang and Tian Jiu shall bear the costs of the proceedings.

Latest status

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 (A)(4) 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 Baishazhou 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 Baishazhou 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 Baishazhou Agricultural.

On 26 May 2017, Ms. Wang and Tian Jiu applied to add a counterclaim for return of CAP's 90% interest in Baishazhou 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 (A)(4) 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 (the "**23 December Judgment**"), the counterclaim made by Ms. Wang and Tian Jiu 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 Baishazhou Agricultural be returned (70% for Ms. Wang and 20% for Tian Jiu).

As at the Latest Practicable Date, the case is still ongoing.

Impact on the WOG Group

Possible impacts may include, but are not limited to, the following:

- (a) If the Supreme People’s Court rules in favour of CAP, then CAP continues to be the legal owner of Baishazhou Agricultural.
- (b) If the Supreme People’s Court rules in favour of Ms. Wang and Tian Jiu, the Supreme People’s Court may order for re-transfer of the shares in Baishazhou Agricultural. Potentially there will be material impact. For further details regarding the potential impact, please refer to the section entitled “Impact on the WOG Group” of Section (A)(1).

(B) *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*

Background

In 2017, Jiangsu Shenglong Zhengtai Trade and Commercial Development Co., Ltd (“**Jiangsu Shenglong**”), an indirect wholly-owned subsidiary of CAP, entered into (a) the Business Cooperation Agreement with Huai’an Mingyuan Agricultural Development Company Ltd (“**Huai’an Mingyuan**”), and (b) the Supplemental Business Cooperation Agreement with Huai’an Mingyuan and Mr. Wang Yong Gang (“**Mr. Wang**”).

Pursuant to the Business Cooperation Agreement and the Supplemental Business Cooperation Agreement, the parties agreed to, inter alia, jointly operate two markets in the PRC, and that Jiangsu Shenglong is entitled to a minimum annual profit distribution of RMB13.0 million.

On 4 November 2018, Jiangsu Shenglong issued a writ against Huai’an Mingyuan and Mr. Wang seeking an order from the Nanjing Xuanwu District People’s Court (“**Nanjing Court**”), *inter alia*, that:

- (a) the Business Cooperation Agreement and Supplemental Business Cooperation Agreement shall be terminated;
- (b) Huai’an Mingyuan shall pay Jiangsu Shenglong RMB30.0 million as compensation for breach of the Business Cooperation Agreement;
- (c) Huai’an Mingyuan shall pay Jiangsu Shenglong approximately RMB2.0 million and RMB5.8 million as compensation for breaches of the Supplemental Business Cooperation Agreement;

- (d) Mr. Wang shall be held responsible for Huai'an Mingyuan's aforementioned compensations to Jiangsu Shenglong; and
- (e) 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 Court, *inter alia*, that:

- (a) the notice issued by Jiangsu Shenglong for the purpose of terminating the Business Cooperation Agreement and Supplemental Business Cooperation Agreement does not have any force against Huai'an Mingyuan; and
- (b) Jiangsu Shenglong shall be liable for the legal fees of Huai'an Mingyuan.

Latest status

As at the Latest Practicable Date, the case is still ongoing.

Impact on the WOG Group

Possible impacts on the WOG Group may include, but are not limited to, the following:

- (a) If the Nanjing Court rules in favour of Jiangsu Shenglong, then the Business Cooperation Agreement and Supplemental Business Cooperation Agreement shall be terminated. In other words, the parties will no longer need to jointly operate the two markets in the PRC. Further, Jiangsu Shenglong shall then be entitled to compensation for breach of the Business Cooperation Agreement for RMB30.0 million, and compensation for breaches of the Supplemental Business Cooperation Agreement for RMB2.0 million and RMB5.8 million.
- (b) If the Nanjing Court rules in favour of Huai'an Mingyuan, then the Business Cooperation Agreement and Supplemental Business Cooperation Agreement shall not be terminated. In other words, the parties will need to continue to jointly operate the two markets in the PRC. Even if that is the case, Jiangsu Shenglong shall then continue to be entitled to the minimum annual profit distribution of RMB13,000,000 pursuant to the Business Cooperation Agreement and the Supplemental Business Cooperation Agreement.

8. MATERIAL CONTRACTS

8.1 EOG Group

Save as disclosed below, no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the EOG Group had been entered into by any member of the EOG Group within two years preceding the Announcement Date and up to the Latest Practicable Date:

- (a) an irrevocable undertaking dated 26 September 2019 executed by Onger Investments Limited and Peony Finance Limited, both are indirect wholly-owned subsidiaries of EOG, in favour of Goal Success Investments Limited, an indirect wholly-owned subsidiary of WYT and was being the offeror to acquire equity interests in CAP, undertaking (a) not to sell, transfer, encumber, grant any option over or otherwise dispose of any interest in the CAP Shares held by it and not to tender any CAP Share held by it for acceptance of the partial share offer; and (b) not to sell, transfer, encumber, grant any option over or otherwise dispose of any interest in the convertible notes issued by CAP held by it, not to tender any convertible note held by it for acceptance of the partial convertible notes offer and not to exercise the conversion rights attaching to it, details of which were set out in the announcement dated 26 September 2019 jointly issued by, among others, WYT, WOG, EOG and CAP.

8.2 WOG Group

8.2.1 the WOG Group (other than the WYT Group, the WOP Group and the CAP Group)

Save as disclosed below, no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the WOG Group (other than the WYT Group, the WOP Group and the CAP Group) had been entered into by any member of the WOG Group within two years preceding the Announcement Date and up to the Latest Practicable Date:

- (a) a loan agreement dated 26 September 2019 entered into between CAP, as the borrower, and Double Leads Investments Limited (“**Double Leads**”), as the lender, pursuant to which Double Leads agreed to grant an unsecured loan in the principal amount of HK\$89.0 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, WYT, WOG, EOG and CAP;
- (b) a loan agreement dated 24 September 2019 entered into between Fulling Limited (“**Fulling**”), an indirect wholly-owned subsidiary WOG, as the lender, and independent third party customers, as the borrowers, in relation

to the grant of a secured loan in the principal amount of HK\$80.0 million for a term of two months with a monthly interest of HK\$1.35 million for the first month and a monthly interest of HK\$1.2 million for the second month, the details of which were set out in the announcement of WOG dated 24 September 2019;

- (c) order notes dated 19 September 2019 by WOG to acquire a total of US\$9.0 million 11.50% senior notes due 26 September 2021 issued by Zhongliang Holdings Group Company Limited, a company incorporated in the Cayman Islands whose shares are listed and traded on the main board of the Stock Exchange (Stock Code: 2772), in the secondary market for a total consideration of approximately US\$8.9 million (equivalent to approximately HK\$210.4 million), the details of which were set out in the announcement of WOG dated 20 September 2019;
- (d) a subscription form dated 18 April 2019 and executed by each of Trade Capture Investments Limited (“**Trade Capture**”), an indirect wholly-owned subsidiary of WOG, and accepted by Rockpool Capital SPC in respect of the investment of an aggregate of US\$17.5 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 (as supplemented on 30 August 2019) between, among others, Trade Capture, Key High Limited (“**Key High**”) and Rockpool Capital SPC, the details of which were set out in the announcement of WOG jointly issued with WYT dated 18 April 2019; and
- (e) a renewal agreement dated 31 January 2019 entered into between Fulling, as the lender, and Mastergroup Industrial Limited as the borrower, in relation to the renewal of a secured loan of a principal amount of HK\$100.0 million for further three months at an interest rate of 18.0% per annum, the details of which were set out in the announcement of WOG dated 31 January 2019.

8.2.2 the WOP Group

Save as disclosed below, no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the WOP Group had been entered into by any member of the WOP Group within two years preceding the Announcement Date and up to the Latest Practicable Date:

- (a) order notes dated 26 March 2020 by Twist Pioneer Limited (“**Twist Pioneer**”), an indirect wholly-owned subsidiary of WOP, to acquire in aggregate US\$5.0 million 8.9% senior notes due 24 May 2021 issued by China Evergrande Group, a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 3333), in the secondary market for a

total consideration of approximately US\$4.4 million (equivalent to approximately HK\$34.2 million), the details of which were set out in the announcement of WOG dated 26 March 2020;

- (b) order notes dated 19 September 2019 by Twist Pioneer to acquire a total of US\$18.0 million 11.50% senior notes due 26 September 2021 issued by Zhongliang Holdings Group Company Limited, a company incorporated in the Cayman Islands whose shares are listed and traded on the main board of the Stock Exchange (Stock Code: 2772), in the secondary market for a total consideration of approximately US\$17.8 million (equivalent to approximately HK\$210.4 million), the details of which were set out in the announcement of the Company dated 20 September 2019;
- (c) the share sale agreement dated 21 June 2019 entered into between Caesar Holding II Limited (“**Caesar**”), Bancroft Ville Limited (“**Bancroft**”), an indirect wholly-owned subsidiary of WOP, and Milesville Limited in respect of the disposal of 50% equity interest in Milesville (the “**Disposal**”) for an aggregate consideration of approximately HK\$39.0 million; a share subscription agreement dated 21 June 2019 entered into between Caesar, Bancroft and Milesville in relation to the subscription of new shares in Milesville by each of Caesar and Bancroft for an aggregate consideration of approximately HK\$129.8 million; and a lease of certain parts of a property comprising the commercial accommodation of the complex named “The Parkside” located at Tong Chun Street, Tseung Kwan O together with 49 car parking spaces and 5 motor cycle parking spaces on the basement floor (the “**Tong Chun Street Property**”) dated 4 July 2019, entered into between Hermitage Investments, an indirect wholly-owned subsidiary of Milesville and the sole legal beneficial owner of such property, and Wang On Majorluck Limited, an affiliate of WOP, for a term commencing tentatively on 5 July 2019 and 1 December 2019, respectively, and expiring on 30 June 2030 at an aggregate rent of approximately HK\$402.7 million, the details of which were set out in the announcement dated 21 June 2019 jointly issued by WOG and WOP;
- (d) a provisional agreement (as amended and supplemented by a supplemental deed dated 28 June 2019 entered into between Milesville (then an indirect wholly-owned subsidiary but now a joint venture indirectly owned as to 50% by WOP after the Disposal) and Topaz dated 30 April 2019 entered into between Milesville, as the purchaser, and Topaz, as the vendor, in relation to the acquisition of the entire issued share capital in, and the assignment of the shareholder loan of, Pearl Limited (carrying on business in Hong Kong as Pearl Park Limited) holding the Tong Chun Street Property through Hermitage Investments, at a consideration of HK\$780 million

(subject to adjustment), the details of which were set out in the announcement jointly issued by WOG and WOP dated 1 May 2019 and the circular of WOG dated 26 July 2019;

- (e) a tenancy agreement dated 2 May 2019 entered into between Wai Yuen Tong (Retail) Limited (“**WYTR**”), as the tenant, and Vincent Investments Limited (“**Vincent Investments**”), an indirect wholly-owned subsidiary of WOP, as the landlord, in respect of the lease of a property located at Nathan Road, Kowloon 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 WYT and WOP dated 2 May 2019;
- (f) a binding term sheet dated 29 April 2019 executed by WOP and Metal Jacket Holding III Limited (“**KKR**”) in relation to, among other things, (i) the sale of 50% equity interest in Oriental Sunlight Limited (“**Oriental Sunlight**”), an indirect wholly-owned subsidiary of WOP, by WOP or its wholly-owned subsidiary (“**WOP JV Partner**”) as vendor, and KKR or an affiliate of KKR which is directly or indirectly controlled by funds and/or investment vehicles managed and/or advised by Kohlberg Kravis Roberts & Co. L.P. (“**KKR JV Partner**”) as purchaser; and (ii) the subscription of new shares in Oriental Sunlight by each of the WOP JV Partner and the KKR JV Partner for an aggregate consideration of approximately HK\$180.0 million; (iii) the formation of a joint venture between the WOP JV Partner and the KKR JV Partner in respect of Oriental Sunlight; and (iv) the grant of a lease of certain parts of the property held by Oriental Sunlight indirectly (such property as referred to in paragraph (g) below) to an affiliate of WOP by Oriental Sunlight, details of which were set out in the announcement of WOG jointly issued with WOP dated 29 April 2019;
- (g) a preliminary sale and purchase agreement dated 26 April 2019 entered into between Cannex Limited, an indirect wholly-owned subsidiary of WOP, as the purchaser, and First Trading Company Limited, as the vendor, in relation to the sale and purchase of properties comprising of 45 workshops and 18 car parking spaces of the building known as “EW International Tower” at a consideration of HK\$306.8 million, the details of which were set out in the announcement of WOG dated 26 April 2019;
- (h) a provisional sale and purchase agreement (as amended by a supplemental agreement dated 18 April 2019) dated 18 April 2019 entered into between City Target Limited, an indirect wholly-owned subsidiary of WOP, as the vendor, and Globe Power Limited, as the purchaser, in relation to the

acquisition of Shop 1 & 2 on the Ground Floor, “726 Nathan Road” No. 726 Nathan Road, Kowloon at a consideration of HK\$135.0 million, the details of which were set out in the announcement of WOG dated 18 April 2019; and

- (i) the offer submitted by Wellion Limited, an indirect wholly-owned subsidiary of WOP, in the tender process for the acquisition of the retail podium comprising car parking spaces and the retail podium of the ground floor and the level one of the residential accommodation known as “Lake Silver” from Kowloon-Canton Railway Corporation at a total consideration of HK\$653 million, the details of which were set out in the announcement of WOG jointly issued with WOP dated 24 January 2019.

8.2.3 the WYT Group

Save as disclosed below, no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the WYT Group had been entered into by any member of the WYT Group within two years preceding the Announcement Date and up to the Latest Practicable Date:

- (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 WOG, 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, WOG, EOG and CAP;
- (b) order notes dated 3 June 2019 by Suntech Investments Limited, an indirect wholly-owned subsidiary of WYT, 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 WYT dated 3 June 2019;
- (c) a formal agreement dated 17 May 2019 and a preliminary sale and purchase agreement dated 28 March 2019 entered into between Precious Investments Limited, an indirect wholly-owned subsidiary of WYT, 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 WYT dated 28 March 2019 and the circular dated 24 May 2019;

- (d) a conditional provisional agreement dated 9 May 2019 entered into between Guidepost, an indirect wholly-owned subsidiary of WYT, 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 WYT, holding a retail shop at a consideration of HK\$52.8 million, the details of which were set out in the announcement of WYT dated 9 May 2019;
- (e) a tenancy agreement dated 2 May 2019 entered into between WYTR, an indirect subsidiary of WYT, 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 WYT and WOP dated 2 May 2019;
- (f) a conditional provisional agreement dated 30 April 2019 entered into between Guidepost, as the vendor, and Lou Fok Sang, 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 WYT, holding a retail shop at a consideration of HK\$47.0 million, the details of which were set out in the announcement of WYT dated 30 April 2019;
- (g) a subscription form dated 18 April 2019 and executed by Key High, an indirect wholly-owned subsidiary of WYT, 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, Key High and Rockpool Capital SPC, the details of which were set out in the announcement of WYT 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 WYT, 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 WYT dated 19 April 2019;

- (i) a conditional provisional sale and purchase agreement dated 28 February 2019 entered into between Guidepost, as the vendor, and Chan Chi Wan, 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\$53.1 million, the details of which were set out in the announcement of WYT dated 28 February 2019; and
- (j) a loan agreement dated 18 September 2018 entered into between Able Trend Limited (“**Able Trend**”), an indirect wholly-owned subsidiary of WYT, 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 WYT dated 18 September 2018.

8.2.4 the CAP Group

Save as disclosed below, no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the CAP Group had been entered into by any member of the CAP Group within two years preceding the Announcement Date and up to the Latest Practicable Date:

- (a) a loan agreement dated 26 September 2019 entered into between CAP, as the borrower, and Winning Rich Investments Limited, an indirect wholly-owned subsidiary of WYT, as the lender, in relation to the grant of an unsecured credit facility of not exceeding a sum of HK\$621.0 million at an interest rate of 10.0% per annum for a term of 36 months, the details of which were set out in the announcement dated 26 September 2019 jointly issued by, among others, WYT, WOG, EOG and CAP;
- (b) a loan agreement dated 26 September 2019 entered into between CAP, as the borrower, and Double Leads, an indirect wholly-owned subsidiary of WOG, as the lender, in relation to the grant of an unsecured credit facility of not exceeding a sum of HK\$89.0 million at an interest rate of 10.0% per annum for a term of 36 months, the details of which were set out in the announcement dated 26 September 2019 jointly issued by, among others, WYT, WOG, EOG and CAP; and

- (c) 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 Liang Rong, 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 RMB78.0 million (equivalent to approximately HK\$89.6 million), the details of which were set out in the announcement of CAP dated 23 August 2018.

9. EXPERTS

The following are the qualifications of each of the experts who has given opinions or advice which are contained in this Scheme Document:

Name	Qualifications
Altus Capital Limited	A corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Asset Appraisal Limited	Independent property valuer
RHL Appraisal Limited	Independent property valuer
LCH (Asia-Pacific) Surveyors Limited	Independent property valuer

10. CONSENTS

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of the opinions and/or letters and/or the references to its name and/or opinions and/or letters in the form and context in which they are included.

11. MISCELLANEOUS

- (a) The principal members of the Offeror's Concert Parties are Mr. Tang, WOG and WYT.
- (b) The EOG Board comprises Mr. Chan Chun Hong, Thomas, Ms. Stephanie and Mr. Cheung Wai Kai as executive directors; and Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak as independent non-executive directors.
- (c) The company secretary of EOG is Mr. Chiu Ming Ho.
- (d) The registered office of EOG is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (e) The principal place of business of EOG in Hong Kong is situated at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (f) The principal share registrar and transfer office of EOG is Conyers Corporate Services (Bermuda) Limited, at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (g) The branch share registrar and transfer office of EOG in Hong Kong is Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (h) Mr. Tang Ching Ho is the sole director of Caister and the registered office of Caister is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (i) The registered office and principal place of business of WOG is situated at (i) Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and (ii) Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, respectively. As at the Latest Practicable Date, Mr. Tang is the ultimate controlling shareholder of WOG.
- (j) The WOG Board comprises Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas as executive directors, and Mr. Wong Chun, Justein and Mr. Siu Kam Chau as independent non-executive directors.
- (k) The WYT Board comprises Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas, Ms. Tang Mui Fun and Ms. Tang Wai Man as executive directors, and Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Cho Wing Mou and Mr. Li Ka Fai, David as independent non-executive directors. As at the Latest Practicable Date, WOG is the controlling shareholder of WYT and Mr. Tang is the ultimate controlling shareholder of WOG.
- (l) The registered office of WYT is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of WYT in Hong Kong is at Suite 3101, 31/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

- (m) The registered office of Kingston is situated at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office of EOG at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, from 9:00 a.m. to 5:30 p.m., Monday to Friday and on the website of EOG at www.easystonefg.com and the website of the SFC at www.sfc.hk from 12 August 2020 until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the memorandum and articles of association of Caister;
- (b) the memorandum of continuance and bye-laws of EOG;
- (c) the 2018, 2019 and 2020 annual reports of EOG;
- (d) the 2018, 2019 and 2020 annual reports of WOG;
- (e) the letter from the EOG Board, the text of which is set out in Part IV of this Scheme Document;
- (f) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (h) the rules of the EOG Share Option Scheme referred to in the section headed "8. The Option Offer" in the explanatory statement in Part VII of this Scheme Document;
- (i) the contracts referred to in the section headed "8. Material Contracts" in this Appendix II to this Scheme Document;
- (j) the respective property valuation reports referred to in Appendix VII to this Scheme Document;
- (k) the written consents referred to in the section headed "10. Consents" in this Appendix II to this Scheme Document;
- (l) the Irrevocable Option Undertakings;
- (m) the Option Offer Letter and the Form of Option Offer Acceptance; and
- (n) this Scheme Document.

**IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDICTION
COMMERCIAL COURT
2020: No. 215
IN THE MATTER OF
EASY ONE FINANCIAL GROUP LIMITED
AND
SECTION 99 OF THE COMPANIES ACT 1981**

**SCHEME OF ARRANGEMENT
BETWEEN
EASY ONE FINANCIAL GROUP LIMITED
AND
THE SCHEME SHAREHOLDERS**

PRELIMINARY

(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

“Business Day”	a day (other than Saturday or Sunday) on which the Stock Exchange is open for the transaction of business
“Cancellation Consideration”	per 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	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)

“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “3. Conditions of the Proposal” in the Explanatory Statement
“Consideration Shares”	Wang On Group Shares held by the Offeror to be transferred to Scheme Shareholders as part of the Cancellation Consideration on the basis of eight (8) Wang On Group Shares per Scheme Share
“Court”	the Supreme Court of Bermuda
“Court Meeting”	a meeting of the Scheme Shareholders convened at the direction of the Court at which the Scheme will be voted upon, or any adjournment thereof
“Dividend Adjustment”	the amount of any dividend or other distributions made or paid in respect of the Scheme Shares, which the Offeror reserves the right to deduct from the Scheme Cash Consideration
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“Explanatory Statement”	the explanatory statement set out in the Scheme Document
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 August 2020, being the latest practicable date prior to the date of the Scheme Document for the purpose of ascertaining certain information contained in the Scheme Document
“Long Stop Date”	31 December 2020

“Offeror”	Caister Limited, a business company incorporated in the British Virgin Islands with limited liability
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, on the terms and subject to the Conditions
“Record Date”	Monday, 5 October 2020, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme
“Registrar of Companies”	the Registrar of Companies in Bermuda
“Scheme”	the scheme of arrangement under section 99 of the Companies Act between the Company and the Scheme Shareholders with or subject to any modification, addition or condition which may be approved or imposed by the Court
“Scheme Cash Consideration”	the cash amount of HK\$0.30 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
“Scheme Document”	the composite scheme document (which contains, amongst other things, details of the Proposal), the accompanying proxy forms and notices of the Court Meeting and the SGM, published or despatched by the Offeror and the Company to all Shareholders
“Scheme Shareholders”	the registered holders of the Scheme Shares as at the Record Date
“Scheme Shares”	the Shares in issue on the Record Date
“SGM”	a special general meeting of the Company convened for the purposes of passing all necessary resolutions for, amongst other things, the implementation of the Scheme
“Share(s)”	the ordinary share(s) par value HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	the registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US” or “United States”	United States of America
“Wang On Group Shares”	ordinary shares of HK\$0.01 each in the issued share capital of 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)

- (B) The Company is an exempted company incorporated in the Cayman Islands on 24 July 2002 and continued in Bermuda with limited liability on 30 July 2014. As at the Latest Practicable Date, the Company had an authorised share capital of HK\$200,000,000 divided into 20,000,000,000 Shares of which 556,432,500 Shares had been issued fully paid or credited as fully paid.
- (C) The Offeror has agreed to appear by Conyers Dill & Pearman Limited at the hearing of the petition to sanction this Scheme and has undertaken to the Court to be bound by this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable by the Offeror for the purpose of giving effect to this Scheme.
- (D) The primary purpose of this Scheme is to cancel all Scheme Shares and to issue new Shares to the Offeror equal to the number of Scheme Shares cancelled on the Effective Date so that the Company becomes wholly owned by the Offeror.

THE SCHEME

**PART I
CANCELLATION OF THE SCHEME SHARES**

1. On the Effective Date:
 - (a) the Offeror, or its nominee, shall subscribe for one new Share in the Company at par;
 - (b) all Scheme Shares shall be cancelled; and
 - (c) the Company shall issue new Shares to the Offeror equal to the number of Scheme Shares cancelled and the Company shall apply the credit arising in its books of account as a result of the cancellation of the Scheme Shares in paying up in full at par such new Shares.

**PART II
CONSIDERATION FOR CANCELLATION OF THE SCHEME SHARES**

2. In consideration of the cancellation of all Scheme Shares each Scheme Shareholder shall be entitled to receive the Cancellation Consideration, comprising the Scheme Cash Consideration and the Consideration Shares.

**PART III
GENERAL**

3. Upon the Scheme becoming effective, payment of the Scheme Cash Consideration and transfer of the Consideration Shares (on the basis of eight (8) Consideration Shares per Scheme Share) will be made to the Scheme Shareholders whose names appear on the register of members of EOG as at the Record Date as soon as practicable but in any event within seven Business Days following the Scheme becoming effective.
4. On the basis that the Scheme becomes effective on Tuesday, 6 October 2020 (Bermuda time), cheques for payment of the Scheme Cash Consideration and share certificates in respect of the Consideration Shares under the Scheme are expected to be despatched on or before Thursday, 15 October 2020.
5. On or after the day being six calendar months after the date of posting the cheques for the Scheme Cash Consideration, the Offeror shall have the right to cancel or countermand payment of any cheque which has not been cashed or which has been returned uncashed and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.

6. The Offeror shall hold monies represented by uncashed cheques until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Offeror shall include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme calculated at the annual rate prevailing from time to time at the licensed bank in which the monies are deposited, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
7. Share certificates relating to the Scheme Shares shall cease to be valid for any purpose on the Effective Date.
8. The Scheme shall become effective as soon as a copy of the order of the Court sanctioning the Scheme under Section 99 of the Bermuda Companies Act has been delivered to the Registrar of Companies in Bermuda for registration.
9. The Company and the Offeror may jointly consent for and on behalf of all Scheme Shareholders to any modification(s) of or addition(s) to the Scheme or to any condition(s) which the Court may see fit to approve or impose.
10. Unless the Scheme becomes effective on or before the Long Stop Date, the Scheme shall lapse.
11. The Company and the Offeror have agreed that all costs, charges and expenses of the advisers and counsels appointed by the Company will be borne by the Company, and all costs, charges and expenses of the advisers and counsels appointed by Offeror will be borne by the Offeror, and the Company and the Offeror will each bear its other costs, charges and expenses of the Scheme.

IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDICTION
COMMERCIAL COURT
2020: NO. 215

IN THE MATTER OF EASY ONE FINANCIAL GROUP LIMITED
AND IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order (the “**Order**”) dated 27 July 2020 (Bermuda time) made in the above matter, the Court has directed a meeting (the “**Court Meeting**”) of the Scheme Shareholders (as defined in the Scheme hereinafter mentioned) to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) a scheme of arrangement (the “**Scheme**”) proposed to be made between Easy One Financial Group Limited (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme) and that the Court Meeting will be held at Grand Ballroom, Lower Ground Level, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong on Tuesday, 8 September 2020 at 9:30 a.m. (Hong Kong time) at which place and time all the Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of the explanatory statement explaining the Scheme pursuant to Section 100 of the Companies Act 1981 are incorporated in the composite scheme document of which this notice forms part. A copy of the composite scheme document can also be obtained by the Scheme Shareholders from the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A **pink** form of proxy for use at the Court Meeting is enclosed with the composite scheme document.

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

It is requested that **pink** forms appointing proxies be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 9:30 a.m. on Sunday, 6 September 2020, but if the forms are not so lodged they may be handed to the Chairman of the Court Meeting at the Court Meeting.

By the Order, the Court has appointed Mr. Chan Chun Hong or, failing him, any other director of the Company to act as Chairman of the Court Meeting and has directed the Chairman to report the results of the Court Meeting to the Court.

The Scheme will be subject to the subsequent approval of the Court.

Dated this 12th day of August 2020.

By order of the Court
Conyers Dill & Pearman Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
Attorneys for the Company



Easy One Financial Group Limited
易易壹金融集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 221)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Easy One Financial Group 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 Tuesday, 8 September 2020 at 10:00 a.m. (Hong Kong time) (or immediately after the Court Meeting (as defined in the Scheme set out in the scheme document of which this notice forms part) convened at the direction of the Supreme Court of Bermuda at the same place and on the same day shall have been concluded or adjourned, whichever is the later), for the purposes of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

“**THAT**

- (a) for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (the “**Scheme**”) as set out in the scheme document dated 12 August 2020 (the “**Scheme Document**”) and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting, on the Effective Date, (as defined in the Scheme Document) (i) the Company shall allot and issue one share at par to the Offeror (as defined in the Scheme Document) or its designated wholly-owned subsidiary, (ii) forthwith upon such issue of share, the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme Document), and (iii) such allotment and issue, and any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares, in each case be and is hereby approved;
- (b) immediately upon the cancellation and extinguishment of the Scheme Shares referred to in (a) above on the Effective Date, the Company shall allot and issue to the Offeror (or its designated wholly-owned subsidiary(ies)) fully paid at par such number of new shares in the Company (“**New Shares**”) as is equal to the number of Scheme Shares referred to in (a) above which are cancelled and extinguished;

- (c) the Company shall apply the credit arising in its books of account as a result of the reduction of share capital referred to in (a) above in paying-up in full at par the New Shares referred to in (b) above;
- (d) subject to the Scheme taking effect, the withdrawal of listing of the ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) be and is hereby approved; and
- (e) the directors of the Company be and are hereby unconditionally authorised to do all acts and things and/or sign such documents as considered by them to be necessary or desirable for or in connection with the implementation of the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange for the withdrawal of the listing of the shares of the Company on the Stock Exchange, subject to the Scheme taking effect; (ii) any reduction of issued share capital of the Company; (iii) the allotment and issue of the shares of the Company referred to above; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Supreme Court of Bermuda may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary for or desirable in connection with the implementation of the Scheme and in relation to the proposed privatisation of the Company by the Offeror by way of the Scheme as a whole.”

By Order of the Board of Directors of
Easy One Financial Group Limited
Chan Chun Hong, Thomas
Chairman and Managing Director

Hong Kong, 12 August 2020

*Head office and principal place
of business in Hong Kong:*
Suite 3202, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay, Kowloon
Hong Kong

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

As at the date of this notice, the board of directors of the Company comprises:

Executive Directors

Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Ms. Stephanie

Independent Non-executive Directors

Mr. Sin Ka Man, Mr. Cheung Sau Wah, Joseph and Mr. Wong Hung Tak

Notes:

1. For the purpose of determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 3 September 2020 to Tuesday, 8 September 2020 (both days inclusive) and, during such period, no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 2 September 2020.
2. A member entitled to attend and vote at the SGM by the above notice is entitled to appoint another person as his proxy to attend and vote on his behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares of the Company in respect of which each such proxy is appointed.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. Where there are joint holders of any share of the Company, any one of such persons may vote at the SGM either personally or by proxy, in respect of such share of the Company as if he were solely entitled thereto, but if more than one of such joint holders be present at the SGM personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holding.
5. A form of proxy for use in connection with the SGM is enclosed.
6. References to time and dates in this notice are to Hong Kong time and dates.

The following is a sample of the Option Offer Letter being sent to the EOG Optionholders in connection with the Option Offer.

12 August 2020

To the EOG Optionholders

Dear Sir or Madam

**OPTION OFFER IN RELATION TO THE PROPOSED PRIVATISATION OF
EASY ONE FINANCIAL GROUP LIMITED BY CAISTER LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION 99 OF
THE COMPANIES ACT 1981 OF BERMUDA)**

A scheme document (the “**Scheme Document**”) dated the same date as this letter issued jointly by Caister Limited (“**Caister**”) and Easy One Financial Group Limited (“**EOG**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings and construction as in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

Caister, EOG, Wang On Group Limited and Wai Yuen Tong Medicine Holdings Limited jointly published an announcement on 4 May 2020 (the “**Joint Announcement**”) which stated that, among other things, Caister requested the EOG Board to put forward a proposal to privatise EOG by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act. As stated in the Joint Announcement, as part of the Proposal, Caister 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**”). The Option Offer will be conditional upon the Scheme becoming effective.

This letter explains the terms of the Option Offer and the actions you may take in relation to your EOG Options. You are advised to refer to the Scheme Document when considering them.

Your attention is also drawn to the terms and conditions of the documentation under which each of your EOG Options was granted.

TERMS OF THE OPTION OFFER

The Option Offer is conditional on the Scheme becoming effective and its terms are as follows.

Exercise period for the EOG Options

Pursuant to the EOG Share Option Scheme, upon the Scheme becoming effective, all EOG Options for the time being outstanding will lapse except insofar as previously exercised pursuant

to the EOG Share Option Scheme. In light of this and the Irrevocable Option Undertakings, the EOG Board has resolved that:

- (i) any EOG Options (whether vested or unvested) outstanding after the Latest Option Exercise Date and for which no valid Form of Option Offer Acceptance in respect of the Option Offer has been lodged with Tricor Tengis Limited shall automatically lapse on the date immediately after the Effective Date and any EOG Optionholder who does not accept the Option Offer will not receive any cash consideration under the Option Offer; and
- (ii) any EOG Optionholder who tenders a validly completed and executed Form of Option Offer Acceptance to accept the Option Offer by the Latest Option Exercise Date will receive the Option Cancellation Price for each EOG Option which is tendered in acceptance of the Option Offer.

You should also note your undertaking not to exercise the EOG Options and to accept the Option Offer pursuant to the Irrevocable Option Undertaking if you have executed the same.

Entitlements of EOG Optionholders who accept the Option Offer

EOG Optionholders who accept the Option Offer and lodge a validly completed Form of Option Offer Acceptance in accordance with the terms in this letter will be entitled to receive the Option Cancellation Price for each EOG Option which is tendered in acceptance of the Option Offer. The following table sets out the exercise price of all the outstanding EOG Options and their respective Option Cancellation Price under the Option Offer:

Date of grant	Exercise price (HK\$)	Exercisable period	Option Cancellation Price (HK\$)	Number of EOG Shares into which EOG Options are exercisable
23 February 2018	0.48	23 February 2018 to 22 February 2025	0.444 per EOG Option	17,800,000

The Option Cancellation Price represents the “see-through” price of the EOG Options, being the Cancellation Consideration as at the Last Trading Day of HK\$0.924 minus the exercise price of the EOG Option.

The Option Offer is conditional upon the Scheme becoming effective. The Option Offer will become unconditional immediately upon the Effective Date and prior to EOG being de-listed from the Stock Exchange. The Conditions of the Proposal are set out in the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of the Scheme Document.

Payments in respect of the Option Offer will be made within seven (7) Business Days following the closing date of the Option Offer by cheque(s) which will be sent to the EOG Optionholders at their own risk. You may face delays or obstacles in changing Hong Kong dollars to other currency or cashing such cheques in certain locations or situations. Settlement of the Option Cancellation Price to which the EOG Optionholders are entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which Caister may otherwise be, or claim to be, entitled against such EOG Optionholder.

You are further advised to refer to the sections headed “13. Registration and Payment”, “14. Overseas EOG Shareholders and EOG Optionholders” and “15. Taxation” in the Explanatory Statement in Part VII of the Scheme Document.

How to Accept the Option Offer

The Form of Option Offer Acceptance is attached to this letter and can also be downloaded from www.easynonefg.com. If you do not intend to exercise your EOG Options before the expiry of the period (the “**Designated Period**”) commencing on the date that Conditions (a), (b) and (c) in the section headed “3. Conditions to the Proposal” in the explanatory statement in Part VII of the Scheme Document have been fulfilled and ending Monday, 5 October 2020, you are strongly advised to read carefully the Scheme Document before deciding whether or not to accept the Option Offer.

To accept the Option Offer, you should complete and return the duly executed Form of Option Offer Acceptance to Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong and marked “Easy One Financial Group Limited – Option Offer” by not later than 4:00 p.m. on Monday, 5 October 2020, (or such other date and time as may be notified to the EOG Optionholders by or on behalf of Caister).

COURSES OF ACTION AVAILABLE TO EOG OPTIONHOLDERS

In summary, subject to any other contractual obligations you may have undertaken (on which you should seek independent legal advice), the choices available to you in respect of your EOG Options are:

- (1) **Exercise your EOG Options.** You may in accordance with the terms of the EOG Share Option Scheme (as applicable) exercise all or any of your EOG Options (to the extent not already exercised) to its full extent or to the extent specified in your notice of exercise of EOG Options to EOG at any time up to the expiry of the Designated Period. Any EOG Shares issued as a result of the exercise of such EOG Options will be Scheme Shares and **will be subject to and eligible to participate in the Scheme.** The holders of such EOG Shares may also be entitled to exercise their voting rights at the Court Meeting and the SGM. Please refer to the Scheme Document for details of

the Proposal in this regard. **You should however, note your undertaking not to exercise the EOG Options pursuant to the Irrevocable Option Undertaking if you have executed the same;** or

- (2) **Accept the Option Offer.** You may also duly complete and deliver the Form of Option Offer Acceptance to Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 5 October 2020 to accept the Option Offer. If you accept the Option Offer, upon the Scheme becoming effective, you will be entitled to receive the Option Cancellation Price in respect of each EOG Option for which you have accepted the Option Offer.

If you choose neither of the above courses of action, your EOG Options will lapse on the date immediately after the Effective Date and you will not be eligible to participate in the Scheme nor receive the Option Cancellation Price.

Each EOG Option you hold is independent and you should make a separate decision for each one.

For further details, please refer to the remaining sections of this letter, the Scheme Document and the terms of the EOG Share Option Scheme (as applicable).

Assuming the Option Offer becomes unconditional on Thursday, 17 September 2020 (Bermuda time), payment of the Option Cancellation Price are expected to be made on or before Thursday, 15 October 2020.

EOG OPTIONS HELD AS AT THE LATEST PRACTICABLE DATE

Information on the EOG Options held by you as at the Latest Practicable Date is available from the company secretary of EOG. If there is any exercise of your EOG Options after the Latest Practicable Date, you will be entitled to tender acceptance only for such EOG Options that remains unexercised as at the expiry of the Designated Period.

LAPSED EOG OPTIONS

Please note that nothing in this letter or the Scheme Document serves to extend the life of a EOG Option which lapses, will lapse, or has already lapsed, under the terms of the EOG Share Option Scheme (as applicable) prior to the expiry of the Designated Period. You will not be entitled to tender acceptance in respect of an EOG Option which has lapsed in accordance with its terms on or prior to the expiry of the Designated Period.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

In the letter from the Independent Financial Adviser set out in the Scheme Document, the Independent Financial Adviser states that it considers the terms of the Option Offer to be fair and reasonable.

The Independent Board Committee, having considered the terms of the Option Offer and having taken into account the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the letter from the Independent Financial Adviser, considers that the terms of the Option Offer are fair and reasonable.

Your attention is drawn to the letter from the Independent Financial Adviser and the letter from the Independent Board Committee set out in the Scheme Document.

INDEPENDENT FINANCIAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take. If you are in any doubt as to any aspect of this letter, the Scheme Document or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

GENERAL

All communications, notices, cheques, certificates and other documents of any nature to be delivered by or sent to or from EOG Optionholder(s) will be delivered by or sent to or from them, or their designated agents, at their risk, and none of Caister or EOG accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

The Option Offer will be governed by and construed in accordance with the laws of Hong Kong.

RESPONSIBILITY STATEMENTS

The EOG Directors jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than those relating to Caister and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this letter (other than opinions expressed by the sole director of Caister) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The sole director of Caister accepts full responsibility for the accuracy of the information contained in this letter (other than that relating to the EOG Group) and confirm, having made all

reasonable inquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the directors of EOG) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The sole director of
Caister Limited
Tang Ching Ho

Yours faithfully
For and on behalf of
Easy One Financial Group Limited
Chan Chun Hong, Thomas
Chairman and Managing Director

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from RHL Appraisal Limited., an independent property valuer, in connection with its valuation as at 31 May 2020 of all the property interests of the EOG Group.



永利行評值顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 2730 6212
F +852 2736 9284

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

12 August 2020

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

Dear Sir/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the property interests (the “**Property**”) held by Easy One Financial Group Limited (the “**Company**”) and its subsidiaries (together referred as the “**Group**”) located in the People’s Republic of China (“**PRC**”). We confirm that we have carried out property inspection, 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 Property 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 (“**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

We have valued the Property on the basis of capitalization of the net income and have allowed for outgoings and, in appropriate case, made provisions for reversionary income potential.

And we have also adopted Direct comparison method by making reference to the market asking or selling price of similar properties as available to us. 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.

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 on The Stock Exchange of Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs (the “**Code on Takeovers and Mergers**”) issued by the Securities and Futures Commission and the International Valuation Standard 2020 Edition.

VALUATION ASSUMPTION

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

- i. all necessary statutory approvals for the Property or the subject building of which the Property forms part of their use have been obtained;

- ii. transferable land use rights in respect of the Property for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- iii. the owners of the Property have enforceable titles to the Property and have free and uninterrupted rights to use, occupy or assign the Property for the whole of the respective unexpired terms as granted;
- iv. the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown; and
- v. the Property is connected to main services and sewers which are available on normal terms.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the Property. However, we have not examined the original documents to verify the existing title to the Property or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Company's PRC legal advisers dated 31 July 2020, Guangdong Top-Win Law Firm, concerning the validity of the title to the Property.

LIMITING CONDITIONS

We have conducted on-site inspections to the Property on May 2019 by our staff Ms. Amber Mao (MSc in Construction and Real Estate).

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

We have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the Property. Our valuation is prepared on the assumptions that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the Property or on adjoining or neighboring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied very considerable extent on the information provided by the Group and have 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 Property. The plans including but not limited to location plan, site plan, lot index plan, outline zoning plan, building plan if any, in the report are included to assist the reader to identify the Property for reference only and we assume no responsibility for their accuracy.

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.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Group. Neither have we verified the correctness of any information supplied to us concerning the Property.

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 liabilities which might arise on the disposal of the Properties. In respect of the properties held by the Group for sale, Group has the intention to sell them gradually in long term and certain tax will be paid while for properties held for investment, the likelihood of the relevant tax liabilities being crystallized is remote as the Group has no plans for disposal of such properties yet.

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. This valuation is current at the date of valuation only and under the assumption that the market will not be affected by any epidemic or any irresistible factors. Property Market may change significantly and unexpectedly over a relatively short period of time. 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 Renminbi (RMB).

We enclose herewith the property particulars and opinion of value.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Serena S. W. Lau
FKIS, 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 25 years' experience in valuation of properties in Hong Kong, Macau Special Administrative Region, 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 (Valuation) with over 10 years' experience in valuation of properties in Hong Kong, Macau Special Administrative Region, mainland China and the Asia Pacific Region. Ms. Chen is a Professional Member of The Royal Institution of Chartered Surveyors.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Fair value as at 31 May 2020 RMB
The unsold portion of Ling Shang Tian Di, North of National Highway No. 107 Ai Ling Kan Village, Dalingshan Town, Dongguan City, Guangdong Province, the PRC	<p>Ling Shang Tian Di (the “Development”) is a large-scale residential/commercial development erected on a parcel of land with a site area of approximately 63,867.60 sq.m. (687,471 sq.ft.).</p> <p>Phase I of the Development comprises various residential towers erected upon a 2-storey commercial podium completed in 2013. Phase II of the Development comprises a 4-storey shopping centre completed in 2014.</p> <p>The Property comprises the unsold portion of Phase II of the development (all of Phase I is sold out) with the total gross floor area of approximately 39,959.72 sq.m. (430,122 sq.ft.) for non-domestic use.</p> <p>The land use rights of the Property have been granted for a term of 70 years expiring on 18 August 2077 for commercial and residential uses.</p>	As at the valuation date, portion of the Property was subject to various tenancies with the latest one expiring on 30 September 2034, while the remaining portion of the Property was vacant.	384,600,000 (RENMINBI THREE HUNDRED AND EIGHTY FOUR MILLION SIX HUNDRED THOUSAND ONLY)

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate – Dong Fu Guo Yong (2008) Di Te No. 115 issued by the People’s Government of Dongguan dated 14 March 2008, the land use rights of the Development with a site area of approximately 63,867.60 sq.m. have been granted to Golden Maker (Dongguan) Property Development Co., Limited (金億利(東莞)房地產開發有限公司) (“**Golden Maker (Dongguan)**”), a wholly-owned subsidiary of the Company for a term expiring on 18 August 2077 for commercial and residential uses.
2. Pursuant to 264 Building Ownership Certificates issued by Dongguan County Real Estate Administration Office, the building ownership of the Property with a total gross floor area of 39,959.72 sq.m. have been granted to Golden Maker (Dongguan).
3. The property is subject to a mortgage in favor of Hang Seng Bank (China) Limited Dongguan Branch. However, we have not taken into account such mortgage in our valuation.
4. We have been provided with a legal opinion issued in July 2020 by the Group’s PRC legal adviser, Guangdong Top-Win Law Firm, regarding the legal title of the property, which contains, *inter alia*, the followings:
 - i. the Property is legally held by Golden Maker (Dongguan);
 - ii. except the aforesaid mortgage as stated in Note 3, Golden Maker (Dongguan) is restricted to transfer, exchange and give of the Property under the mortgage;
 - iii. Golden Maker (Dongguan) is entitled to lease of the Property freely in the market; and
 - iv. After the mortgage guarantee is released and the mortgage registration is cancelled, Golden Maker (Dongguan) is entitled to transfer, exchange and give of the Property freely in the market.

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 designated property interests of the WOG Group (other than the WYT Group, the WOP Group and the CAP Group) which, together with the property interests valued by Asset Appraisal Limited (as set out on pages VII-51 to VII-55 of this Appendix VII), comprise all the property interests of the WOG Group (other than the WYT Group, the WOP Group and the CAP Group).



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

12 August 2020

The Boards of Directors
Wang On Group Limited and
Easy One Financial 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 Easy One Financial Group Limited and 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 the “**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 this document to Easy One Financial Group Limited’s 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 its 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 outgoings 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 tax 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. These potential tax liabilities may arise on the disposal of the properties in Group II. However, as at the Latest Practicable Date, the management of WOG confirmed that the properties are held by WOG for investment purpose, and that the WOG Group has no immediate plan to sell the properties in the market. It is highly unlikely that the potential tax liabilities be crystallised in the near future.

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 WOG Group'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 inspections 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 does 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 Easy One Financial Group 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 Easy One Financial Group 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; Rule 11 of The Codes on Takeovers and Mergers and Share Repurchases of the Securities and Futures Commission 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 and Easy One Financial Group Limited'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 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 <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>
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:	<u>HK\$61,200,000</u>		<u>HK\$61,200,000</u>

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
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

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>
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
17. Xinsha Market Level 1 of Shatao 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

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\$
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
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 Government 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 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.).	<i>(see Note 10)</i>	
		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.		

Notes:

1. 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. 07020900380260 on 9 February 2007.
2. 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.
3. 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.
4. 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.)	<i>(see Note 4)</i>	
		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.		

Notes:

1. 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.
2. 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.
3. 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.
4. According to the information provided, the property was subject to 4 various tenancies with a monthly rental of HK\$18,500 on inclusive basis.
5. 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 percent 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:

1. 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.
2. 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.
3. According to the information provided, the property was subject to 4 various tenancies with a monthly rental of HK\$28,000 on inclusive basis.
4. 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 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")	<p>The property comprises a residential unit on the Sixth Floor of a 12-storey building which was completed in 1967.</p> <p>The property has a saleable area of approximately 588.79 sq.ft. (54.7 sq.m.).</p> <p>The property is located in a mixed residential and commercial area.</p> <p>The Lots are subject to Government Leases for a term of 99 years renewable for 99 years commencing 25 May 1929.</p>	<p>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.</p> <p>(see Note 5)</p>	<p>HK\$7,400,000</p> <p>(100 per cent. interest)</p>

Notes:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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")	<p>The property comprises a residential unit on the First Floor of a 4-storey (including Cockloft) tenement building which was completed in 1965.</p> <p>The property has a saleable area of approximately 699.66 sq.ft. (65.0 sq.m.).</p> <p>The property is located in a residential area.</p> <p>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.</p>	<p>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.</p> <p>(see Note 5)</p>	<p>HK\$5,600,000</p> <p>(100 per cent. interest)</p>

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 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 comprises a residential unit on the Third Floor of a 10-storey building which was completed in 1970. The property a saleable area of approximately 557.58 sq.ft. (51.8 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 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.	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. (see Note 6)	HK\$5,300,000 (100 per cent. interest) (see Note 5)

Notes:

1. 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.
2. 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.
3. 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.
4. The property is subject to an Order No. UBSCN/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.
5. 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 document) the property is subject to the following deeds pending registration:
 - (i) an assignment dated 30 June 2020 in favour of Ng Kai Shing; and
 - (ii) a legal charge/ mortgage and a rental assignment both dated 30 June 2020 and in favour of HKCB Finance Limited.
6. 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.
7. 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 518003	<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 Certificate known as 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 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 adviser, GFE Law Office in July 2020, 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 percent 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 518003	<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 Certificate known as 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 percent ownership interest.
2. Pursuant to a copy of 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 adviser, GFE Law Office in July 2020, 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 percent 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 518003	<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 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</p> <p>(50 per cent. Interest)</p>

Notes:

1. Pursuant to a copy of a Realty Estate Ownership Certificate known as 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 29 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 percent ownership interest.
2. Pursuant to a copy of 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.
3. 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.
4. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal adviser, GFE Law Office in July 2020, regarding the property, which contains, *inter alia*, the following:
 - (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Estate Ownership Certificate;
 - (ii) 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 Estate Ownership Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Estate Ownership 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 percent 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 518003	<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 known as Shen Fang Di Zi Di No. 2000321049 Hao (深房地字第2000321049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 percent ownership interest.
2. Pursuant to a copy of 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 adviser, GFE Law Office in July 2020, 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 percent 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 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 (50 per cent. Interest)</p>

Notes:

1. Pursuant to a copy of a Realty Estate Ownership Certificate 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 27 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 percent ownership interest.
2. Pursuant to a copy of 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 adviser, GFE Law Office in July 2020, regarding the property, which contains, *inter alia*, the following:
 - (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Estate Ownership 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 Estate Ownership Certificate, and the actual usage of the property complied with the statutory usage as stated in the aforesaid Realty Estate Ownership 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 percent 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 518003	<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 land 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 Title 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 percent ownership interest.
- Pursuant to a copy of 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 adviser, GFE Law Office in July 2020, 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 percent 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 land 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:

1. Pursuant to a copy of Realty Title 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 percent ownership interest.
2. Pursuant to a copy of 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.
3. 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.
4. 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.
5. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal adviser, GFE Law Office in July 2020, 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.
6. For information purpose, the 50 percent 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 518003	<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 land 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 and 4 below)</p>	<p>HK\$12,550,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to a copy of Realty Title 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 percent ownership interest.
- Pursuant to a copy of 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. We are giving to understand that subsequent to the completion of the resettlement compensation agreement, Shenzhen Jimao will no longer continue its title on the property upon cancellation of the registration of the Realty Title Certificate, and would cease to have the property interest. In our valuation, we did not factor in this post valuation date event. We consider that it would not have material effect to this 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 adviser, GFE Law Office in July 2020, 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 draft 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) 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; and
 - (v) Shenzhen Jimao will no longer continue its title on the property upon cancellation of the registration of the Realty Title Certificate.
6. For information purpose, the 50 percent 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 518003	<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 land 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><i>(See Note 1 below)</i></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><i>(See Notes 3 and 4 below)</i></p>	<p>HK\$360,000</p> <p>(50 per cent. interest)</p>

Notes:

- Pursuant to three various copies of Realty Title 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 percent ownership interest.
- Pursuant to a copy of 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.

5. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal adviser, GFE Law Office in July 2020, regarding the property, which contains, *inter alia*, the following:
- (i) Shenzhen Jimao is the only legally interested party under the aforesaid Realty Title Certificates;
 - (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 usages 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. 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.
6. For information purpose, the 50 percent 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 land 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 Title 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 percent ownership interest.
- Pursuant to a copy of 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 adviser, GFE Law Office in July 2020, 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 percent 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 land 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, 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 Title 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 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.

6. We have been provided with a copy of legal opinion prepared by the WOG Group's PRC legal adviser, GFE Law Office in July 2020, 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 percent 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 as at 31 May 2020 of some of the property interests of the WOG Group (other than the WYT Group, the WOP Group and the CAP Group) which, together with the property interest valued by LCH (Asia-Pacific) Surveyors Limited (as set out on pages VII-7 to VII-50 of this Appendix VII), comprise all the property interests of the WOG Group (other than the WYT Group, the WOP Group and the CAP Group).



Asset Appraisal Limited
中誠達資產評值顧問有限公司

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Tel: (852) 2529 9448 Fax: (852) 3521 9591

12 August 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”.

TITLESHP

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 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 WOG. We have also sought confirmation from the 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 HK\$
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 house has a gross floor area of approximately 3,663 square feet. The house boundary area is approximately 6,931 square feet.	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 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 all the property interests of the WOP Group.



Asset Appraisal Limited
中誠達資產評估顧問有限公司

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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

12 August 2020

The Board of Directors

Wang On Group Limited

Suite 3202, 32/F.,
Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon,
Hong Kong

and

The Board of Directors

Easy One Financial 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 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”.

TITLESHP

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 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 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 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 *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	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 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 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\$
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	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 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:	11,715,730,000		7,669,898,000

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

VALUATION CERTIFICATE

Property No. 1	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
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	<p>The property comprises a shop unit on Ground Floor of a 2-storey commercial podium of Grandeur Garden completed in about 1985.</p> <p>The gross floor area of the property is approximately 62.6 sq.m. (674 sq.ft).</p> <p>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.</p>	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. As at 31 May 2020, Longable Limited owed the outstanding mortgage loan amount was approximately HK\$13,500,000.
 - 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 HK\$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 HK\$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 monthly 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. As at 31 May 2020, Stadium Holdings Limited owed the outstanding mortgage loan amount was approximately HK\$213,400,000.
 - 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 HK\$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 a 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 HK\$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 HK\$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 HK\$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 Stadium Holdings Limited, a wholly-owned subsidiary of the WOP Group vide memorial no. 09042900420057 dated 31 March 2009.
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 HK\$9,000,000.

VALUATION CERTIFICATE

Property No. 7	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 HKD
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. As at 31 May 2020, Top Supreme Limited owed the outstanding mortgage loan amount was approximately HK\$50,000,000.
 - 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 HK\$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 HK\$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. As at 31 May 2020, Full Loyal Limited owed the outstanding mortgage loan amount was approximately HK\$34,600,000.
 - 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 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. As at 31 May 2020, Wellion Limited owed the outstanding mortgage loan amount was approximately HK\$431,200,000.
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 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. As at 31 May 2020, Hermitage Investments Limited owed the outstanding mortgage loan amount was approximately HK\$512,700,000.
3. The property falls within an area zoned "Residential (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)	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 property is subject to various tenancy the last expired on 31 January 2025 at a total monthly rent of HK\$192,200 exclusive of rates and management fees.	172,500,000
3,001/13735th shares of and in Tsuen Wan Town Lot No. 124	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.		40% value attributable to the 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. As at 31 May 2020, Cannex Limited owed the outstanding mortgage loan amount was approximately HK\$64,200,000.
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.

Group II: Property interests held by the Group under development

VALUATION CERTIFICATE

Property No. 12	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 May 2020 <i>HKD</i>
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 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. As at 31 May 2020, Double Bright Limited owed the outstanding mortgage loan amount was approximately HK\$961,000,000.
 - 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 completed value is about HK\$4,500,000,000, the total construction cost is approximately HK\$999,000,000 and the construction cost already expended on the property is HK\$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	The property comprises a parcel of land with a site area of approximately 70,504 square feet (6,550 square metres) or thereabouts.	The property was under construction.	3,200,000,000
Sha Tin Town Lot No. 601	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.		40% value attributable to the Group: \$1,280,000,000
	The unsold residential units has total saleable floor area of 148,015 sq.ft. (13,750.93 sq.m.).		
	The property is held under New Grant No. 22025 for a term of 50 years commencing from 9 January 2015.		

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. As at 31 May 2020, Loyal Pioneer Limited owed the outstanding mortgage loan amount was approximately HK\$1,332,000,000.
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 completed value is about HK\$6,800,000,000, the total construction cost is HK\$999,300,000 and the construction costs already expended on the property is HK\$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 Group: \$749,000,000

Notes:

1. The registered owner of the property is Rich United Limited, a 70%-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 legal charge in favour of The Hongkong and Shanghai Banking Corporation Limited registered vide memorial no. 18072302230037 dated 17 July 2018. As at 31 May 2020, Rich United Limited owed the outstanding mortgage loan amount was approximately HK\$375,000,000.
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 HK\$1,740,000,000, the total construction cost is approximately HK\$305,000,000 and the construction costs already expended on the property is approximately HK\$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. As at 31 May 2020, Newex Limited owed the outstanding mortgage loan amount was approximately HK\$375,500,000.
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 and 62 Larch Street and Nos. 6 and 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 inclusive of rates and managements and the last expire on 30 September 2020. Portion of the property was vacant.	The site value attributable to the 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 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 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 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 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 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 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 (excl 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 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 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.

J. The above properties are subject to mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited and Top Harmony Limited owed the outstanding mortgage loan amount was approximately HK\$319,500,000 at 31 May 2020.

2. The Property is proposed development scheme as follows:

Site Area	:	635.290 sq.m.
Class of Site	:	Class B
Proposed Plot Ratio	:	For Domestic 7.5 For Non-Domestic 1.5
Proposed Gross Floor area for Non-Domestic	:	952.935 sq.m.
Proposed 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 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).

As provided by WOP, the percentage of the undivided share as follows:

Address	%
No. 56-62 Larch Street, No. 6-8 Lime Street	92.59%

* *as confirmed by WOP, the percentage of the undivided share was calculated 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 and 32A, Nos. 34 and 36, No. 38, No. 40, No. 42, No. 44, No. 46, No. 48 Ming Fung Street Kowloon (note 1)	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. 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 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 Mansioin 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 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 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.

- D. The above properties are subject to mortgage in favour of Hang Seng Bank Limited and Joint Hope Limited owed the outstanding mortgage loan amount was approximately HK\$246,000,000 at 31 May 2020.

2. The Property is proposed development scheme as follows:

Site Area	:	894.579 sq.m.
Class of Site	:	Class A
Proposed Plot Ratio	:	For Domestic 7.5 For Non-Domestic 0.9375
Proposed Gross Floor area for Non-Domestic	:	838.679 sq.m.
Proposed 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 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).

As provided by WOP, the percentage of the undivided share as follows:

Address	%
No. 26-32 Ming Fung Street	83.67%
No. 34-36 Ming Fung Street	91.67%
No. 38-48 Ming Fung Street	83.33%

* *as confirmed by WOP, the percentage of the undivided share was calculated 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 \$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 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 house has a saleable area of approximately 2,485 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.		

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. As at 31 May 2020, Wise Ocean International Limited owed the outstanding mortgage loan amount was approximately HK\$41,100,000.
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 sales 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. As at 31 May 2020, Vincent Investment Limited owed the outstanding mortgage loan amount was approximately HK\$322,900,000.
 - 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 2)	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 was available for sale.	26,000,000
Sha Tin Town Lot No. 587	The property is held under New Grant No. 22040 for a term of 50 years commencing from 3 February 2015.		

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 spaces 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 2) 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 Group: \$3,390,000

Notes:

1. The registered owner of the property is Grandwall Investment 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. 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 Group: \$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 all the property interests of the WYT Group (other than the CAP Group).



Asset Appraisal Limited
中誠達資產評值顧問有限公司

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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

12 August 2020

The Board of Directors
Wang On Group Limited

Suite 3202, 32/F.,
Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon,
Hong Kong

and

The Board of Directors
Wai Yuen Tong Medicine Holdings Limited

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

Dear Sirs,

Re: Valuation of Properties situated in Hong Kong and the PRC

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 dated 24 July 2020 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 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 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 Group by means of long term Land Use Rights granted by the PRC Government, we have assumed that the 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, 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 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.

As advised by WYT, they have no plan to dispose properties no. 1-4, the likelihood of the relevant tax liability being crystallized is remote. For Properties no. 5, WYT is seeking for potential buyers and the aforesaid tax liability should be crystallized upon completion of the potential disposal.

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 *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 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 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 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 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\$
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 HKD
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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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	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.).	for a term of 3 years expiring on 31 July 2023 with monthly rent of HK\$116,800 exclusive of rates and management fees.	
	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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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 incl. the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories 2/21st shares of the Tsuen Wan Town Lot No. 54	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 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.	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

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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
 - 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 Industrial Building, (Formerly Yau Tong Industrial Building), No. 13 Ko Fai Road Kowloon	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. 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.). The property is held under	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
24/480th shares of and in Yau Tong Inland Lot No. 7	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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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	<p>The property comprises a shop unit on ground floor of a 5-storey tenement building completed in about 1974.</p> <p>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.).</p> <p>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.</p>	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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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	<p>The property comprises a shop unit on ground floor with cockloft and storeroom of an 11-storey composite building completed in about 1967.</p> <p>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.)</p> <p>The property is held under Conditions of Regrant No. 11422 for a term of 150 years commencing on 5 December 1905.</p>	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			

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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
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. The property has been pledged under the Term and Revolving Credit Facilities Loan Agreement between The Bank of East Asia Limited (the lender) and Cloud Hero Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$709,254,000.
 - 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. The property has been pledged under a Banking Facility Agreement between The Industrial and Commercial Bank of China (Asia) Limited (the lender) and Wai Yuen Tong Medicine Company Limited (Borrower), as confirmed by WYT, the amount due of the banking facility as at valuation date is HK\$135,000,000.
 - 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 with 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 中國深圳華布路以 東、啟達路以南工 業廠房, 1#宿舍, 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 all the property interests of the CAP Group.



永利行評值顧問有限公司
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Room 1010, 10/F, Star House,
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12 August 2020

**The Board of Directors
Easy One Financial Group Limited and
Wang On Group Limited**

Suite 3202, 32/F,
Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay,
Kowloon,
Hong Kong

Dear Sirs/Madams,

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 if any; we 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, the International Valuation Standard 2020 Edition and Rule 11 of The Codes on Takeovers and Mergers and Share Repurchases of the Securities and Futures Commission.

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 terms.

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 31 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. In respect of the properties held by the Group for sale, the Group has the intention to sell them gradually in long term and the aforesaid tax liabilities should be crystallized upon completion of the potential disposal. In respect of properties held for investment, the likelihood of the relevant tax liabilities being crystallized is remote as the Group has no plans for disposal of such properties yet.

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. This valuation is current at the date of valuation only. Property market may change significantly and unexpectedly over a relatively short period of time. 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

FHKIS, 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 RMB	Interest attributed to the Group	Market value attributable to the Group as at 31 May 2020 RMB
4. Wuhan 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)	1,428,000,000	100%	1,428,000,000
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)	874,000,000	100%	874,000,000
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)	263,000,000	100%	263,000,000

	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
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 北環路北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 RMB	Interest attributed to the Group	Market value attributable to the Group as at 31 May 2020 RMB
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 RMB
<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.

The remaining portions of the property with a total gross floor area of approximately 100,886.41 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group’s legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Xuzhou Yuanyang is entitled to occupy or lease such portions of the property freely in the market.

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 and as advised, the actual completion date of the property was at 2011.
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. The remaining portions of the property with a total gross floor area of approximately 18,476.41 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group’s legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Yulin Hong-Jin is entitled to occupy or lease such portions of the property freely in the market.
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, the gross development value is RMB296,474,000 as referring to contracted selling price of such properties.

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. As 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
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)	<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 planned construction-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:

- 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 planned gross floor area of approximately 70,442.00 sq.m. is expected to be completed by December 2023. Upon completion, the gross development value is RMB276,248,000 as referring to contracted selling price of such properties.

As advised by the company, total development costs of such properties are about RMB209,000,000. The construction is not yet commenced.

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

4. The property with a total gross floor area of approximately 21,049.60 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group's legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Yulin Hong-Jin Logistics is entitled to occupy or lease the property freely in the market.
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 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
<p>4. Wuhan Baishazhou 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>	<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 153,924.31 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. The remaining portions of the property with a total gross floor area of approximately 37,256.90 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group's legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Wuhan Baishazhou is entitled to occupy or lease such portions of the property freely in the market.
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 various mortgages in favor of China Construction Bank Corporation Wuhan Gangcheng Branch, Agricultural Bank of China Limited Wuhan Wuchang Branch and Bank of Communications Company Limited Wuhan Shuiguohu Branch with a total lump sum of RMB833,000,000. 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; and
- Wuhan Baishazhou 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 aforesaid mortgage as stated 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
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. The remaining portions of the property with a total gross floor area of approximately 71,280.64 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group’s legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Luoyang Hong-Jin is entitled to occupy or lease such portions of the property freely in the market.
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;
 - 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
<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南側及西林公墓東側河南宏進農副產品國際物流中心)</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 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. have obtained completion acceptance from local government and 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.

The remaining portions of the property with a total gross floor area of approximately 3,430.69 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group's legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Kaifeng Hong-Jin is entitled to occupy or lease such portions of the property freely in the market.

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. The remaining portions of the property with a total gross floor area of approximately 2,791.06 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group's legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Panjin Hong-Jin is entitled to occupy or lease such portions of the property freely in the market.
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 a 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.

- 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 (位於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)	<p>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. (1,093,943sq.ft.).</p> <p>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.</p> <p>The land use rights of the property have been granted for a term expiring latest on 23 October 2054 for wholesale and retail uses.</p>	<p>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.</p>	<p>146,000,000 (RENMINBI ONE HUNDRED AND FORTY SIX MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB146,000,000</p>

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. have obtained completion acceptance from local government and 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.

The remaining portions of the property with a total gross floor area of approximately 2,350.03 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group's legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Huai'an Hong-Jin is entitled to occupy or lease such portions of the property freely in the market.

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 RMB
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. The remaining portions of the property with a total gross floor area of approximately 16,624.04 sq.m. comprise of various structures, canopies, warehouse and facility structures for commercial and self uses; according to a legal opinion provide by the Group’s legal adviser, Guangdong Top-Win Law Firm (廣東卓盈律師事務所), Qinzhou Hong-Jin is entitled to occupy or lease such portions of the property freely in the market.
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.