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



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



CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 0149)

JOINT ANNOUNCEMENT

VOLUNTARY ANNOUNCEMENT TERMINATION OF CONTRACTUAL ARRANGEMENTS IN RELATION TO E-COMMERCE BUSINESS

References are made to the announcements (the “**Announcements**”) made by China Agri-Products Exchange Limited (“**CAP**” together with its subsidiaries, the “**CAP Group**”, where CAP is a 53.37%-owned listed subsidiary of Wai Yuen Tong Medicine Holdings Limited “**WYT**” which in turn a 65.79%-owned listed subsidiary of Wang On Group Limited “**WOG**”) dated 11 July 2016 and 11 October 2016 in relation to, among other things, the Contractual Arrangements that were entered into with the primary purpose of facilitating the operation of the CAP Group’s e-commerce platform in light of ownership restrictions under the applicable laws and regulations in the PRC. Unless otherwise specified, capitalized terms used in this joint announcement have the same meaning as ascribed to them in the Announcements.

As set out in the annual reports of CAP for the year ended 31 March 2021 and the fifteen months ended 31 March 2020, the summary financial indicators in respect of the Contractual Arrangements (which underpinned the operation of the CAP Group’s e-commerce platform in relation to online provision of agricultural products in the PRC) are as follows:

| | For the year ended 31 March 2021 <i>(HK\$ million)</i> | For the fifteen months ended 31 March 2020 <i>(HK\$ million)</i> |
|--|--|--|
| Revenue | Nil | Nil |
| Net loss | 0.8 | 1.8 |
| | As at 31 March 2021 <i>(HK\$ million)</i> | As at 31 March 2020 <i>(HK\$ million)</i> |
| Total asset value subject to the Contractual Arrangements | 0.3 | 0.5 |

Considering the current scale of operations of the CAP Group’s e-commerce platform, its recent contribution to the CAP Group’s revenue/profits, as well as its development prospects, the respective board of directors of CAP, WYT and WOG consider that the CAP Group’s resources can be better deployed towards supporting the continuous development of its internal information technology infrastructure. It will therefore be in the interest of each of CAP, WYT and WOG and their respective shareholders as a whole for the Contractual Arrangements to be unwound and terminated.

Pursuant to the Exclusive Call Option Agreement entered into among Shenzhen Zhibo, Shenzhen Gudeng and the Nominee Shareholder (who is a director of certain subsidiaries of CAP), Shenzhen Zhibo is granted an exclusive right (the “**Call Option**”) which is exercisable at any time at its sole discretion, to acquire the entire equity interest in Shenzhen Gudeng from the Nominee Shareholder at a nominal consideration of RMB100 or the minimum amount permitted under the applicable PRC laws (whichever is higher).

On 20 December 2021, Shenzhen Zhibo, an indirect wholly-owned subsidiary of CAP, exercised the Call Option and entered into an equity transfer agreement with the Nominee Shareholder to acquire the entire equity interest in Shenzhen Gudeng at the consideration of RMB100. On completion of the transfer of the entire equity interest in Shenzhen Gudeng (which takes place upon completion of the change in registration at the relevant administration of industry and commerce of the PRC), the operation of the CAP Group’s e-commerce platform in online agricultural products trading as supported by the Contractual Arrangements would also cease. The Contractual Arrangements would be unwound upon completion of such transfer. The CAP Group will also continue to explore and consider other suitable e-commerce opportunities as part of the CAP Group’s business development.

The applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the CAP Group's acquisition of the entire equity interest in Shenzhen Gudeng are all less than 5% for CAP, WYT and WOG respectively. While such acquisition also constitutes a connected transaction for each of CAP, WYT and WOG (as the Nominee Shareholder is a connected person of each of CAP, WYT and WOG), it is fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76(1) of the Listing Rules.

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

By Order of the Board
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Tang Wai Man
Executive Director

By Order of the Board
CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易有限公司
Leung Sui Wah, Raymond
Executive Director and Chief Executive Officer

Hong Kong, 20 December 2021

As at the date of this joint announcement, the executive directors of CAP are Mr. Leung Sui Wah, Raymond and Mr. Yau Yuk Shing, the non-executive director of CAP is Mr. Tang Ching Ho, and the independent non-executive directors of CAP are Mr. Ng Yat Cheung, Mr. Lau King Lung and Mr. Wong Ping Yuen.

As at the date of this joint announcement, the executive directors of WYT are Mr. Tang Ching Ho, Ms. Tang Wai Man and Ms. Law Man Yee, Anita, and the independent non-executive directors of WYT are Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David.

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

* *for identification only*