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

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

**MAJOR TRANSACTION
IN RELATION TO
FORMATION OF A JOINT VENTURE**

A letter from the Board is set out on pages 3 to 10 of this circular.

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

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DEFINITIONS

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

“AG JV Partners”	Penta Holding (BVI) L.P. and Penta Investment (BVI) L.P., both are limited partnerships established in the BVI, acting by their general partner, AGR XI Asia Member GP, L.L.C., and “AG JV Partner” shall mean any or each of them, as the context requires
“associates”, “connected persons” and “percentage ratio”	each has the meaning as ascribed to it under the Listing Rules
“Board”	the board of the Directors
“BVI”	the British Virgin Islands
“Company”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243) and a 75%-owned listed subsidiary of WOG
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Companies”	Fortune Harbour Investments Limited and Mega Hope Global Limited, both are companies incorporated in the BVI with limited liability and are owned as to 65% by the AG JV Partners and 35% by the WOP JV Partners and “JV Company” shall mean any or each of them, as the context requires
“JV Formation”	the formation of joint venture contemplated under the Shareholders’ Agreement
“JV Group”	the JV Companies and their subsidiaries from time to time
“JV Partners”	collectively, the AG JV Partners and the WOP JV Partners, and “JV Partner” shall mean any or each of them, as the context requires
“Latest Practicable Date”	13 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transaction by Directors of Listed Issuers
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	ALL THAT piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 6473 TOGETHER WITH the messuages erections and buildings thereon now known as No. 19 Luk Hop Street, Kowloon, Hong Kong, including the hotel building currently erected thereon and known as “Pentahotel Hong Kong, Kowloon”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 28 December 2022 and entered into among the WOP JV Partners, the AG JV Partners and the JV Companies to govern the rights and obligations of the shareholders of the JV Companies
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“U.S.”	The United States of America
“US\$”	U.S. dollar(s), the lawful currency of U.S.
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOP JV Partners”	Wickert Investments Limited and Ever Sonic Enterprises Limited, both are companies incorporated in the BVI with limited liability, and are indirect wholly-owned subsidiaries of the Company
“%”	per cent

LETTER FROM THE BOARD



WANG ON PROPERTIES LIMITED

宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

Executive Directors:

Mr. Tang Ho Hong,

(Chief Executive Officer)

Ms. Ching Tak Won Teresa

Ms. Wong Chin Han

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Li Wing Sum Steven

Mr. Sung Tze Wah

Sr Dr. Leung Tony Ka Tung

Dr. Chan Ho Wah Terence

Head office and principal

place of business in Hong Kong:

Suite 3201, 32/F., Skyline Tower

39 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

17 February 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO FORMATION OF A JOINT VENTURE

INTRODUCTION

Reference is made to (i) the announcement dated 28 December 2022 jointly issued by the Company and WOG in relation to the JV Formation; (ii) the announcement dated 19 January 2023 issued by the Company in relation to the application for grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules; and (iii) the announcement dated 3 February 2023 issued by the Company in relation to the grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange.

The purpose of this circular is to provide you with, among other things, the details of the Shareholders' Agreement and the JV Formation as required under the Listing Rules.

LETTER FROM THE BOARD

BACKGROUND

On 28 December 2022, two indirect wholly-owned subsidiaries of the Company entered into the Shareholders' Agreement in respect of the JV Formation for the acquisition and operation of the Property.

THE SHAREHOLDERS' AGREEMENT

Date

28 December 2022

Parties

- (i) the WOP JV Partners (both indirect wholly-owned subsidiaries of the Company)
- (ii) the AG JV Partners (two limited partnerships, both acting by their general partners, AGR XI Asia Member GP, L.L.C.)
- (iii) the JV Companies

The JV Companies are indirectly owned as to 35% by the Company and are not subsidiaries of the Company or WOG.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the AG JV Partners and their respective investment manager and general partner is a third party independent of, and is not connected with the Company and its connected persons.

Business of the JV Companies

The sole business of Fortune Harbour Investments Limited shall be to purchase, hold, lease out the Property for business use approved by its board of directors and sell the Property and/or its holding company for capital appreciation and capital gain; while the sole business of Mega Hope Global Limited shall be to renovate, rebrand, remarket, manage and operate the Property (including the hotel building erected thereon) for business use approved by its board of directors for revenue.

Capital commitment

The total capital commitment in respect of the JV Group is HK\$1,440.0 million, to be borne as to 65% by the AG JV Partners, and as to 35% by the WOP JV Partners.

As at the Latest Practicable Date, the WOP JV Partners and the AG JV Partners have advanced shareholder's loans in the aggregate amount of approximately HK\$143.6 million and HK\$266.6 million, respectively, to the JV Companies as contribution for the payment of deposit required for the acquisition of the Property.

LETTER FROM THE BOARD

Subject to fulfillment of the conditions set out in the section headed “Conditions precedent” in the Letter from the Board, the JV Partners may be required to further inject capital or guarantee for external financing from time to time up to the aggregate total commitment on pro-rata basis, based on their equity ratio in the JV Companies of 65:35 according to the JV Companies’ capital requirements.

The total capital commitment contributed and to be contributed by the WOP JV Partners (including the shareholder’s loans provided by the WOP JV Partners as set out above) in the aggregate amount of HK\$504.0 million has been or will be settled by cash and funded by internal resources of the Group and/or external financing.

The respective contribution to the total capital commitment to the JV Companies by the WOP JV Partners and the AG JV Partners is determined after arm’s length negotiations among the parties with reference to the proposed capital requirements of the JV Companies (in particular, the capital required for the completion of the acquisition, the renovation and the operation of the Property and the initial working capital of the JV Companies) and the parties’ prorated interests in the JV Companies.

Future funding for the JV Companies

All further capital requirements of any member of the JV Group exceeding its own resources from time to time shall be met first by way of external borrowings or financing to be sought from banks or financial institutions and, failing which, by way of further shareholder’s loans as agreed by the relevant JV Partners and as provided under the Shareholders’ Agreement.

Board composition

The board of directors of each JV Company shall comprise a maximum of three directors, two of which shall be appointed by the relevant AG JV Partner, and one of which shall be appointed by the relevant WOP JV Partner. The chairman of the board of each JV Company shall be elected among its directors and shall not be entitled to a second or casting vote in meetings.

Distribution

Unless otherwise required or restricted by bank(s) or financial institution(s) in connection with the JV Group’s external financing, all profits of the JV Group shall be distributed to its shareholders in accordance with applicable BVI laws.

Transfer of shareholding interest

The JV Partners may not dispose of, assign and/or otherwise transfer any of their equity interests in any JV Company except with the prior written consent of the other JV Partners or as otherwise provided in the Shareholders’ Agreement, subject to the right of first offer and tag-along right of the WOP JV Partners and the drag-along right of the AG JV Partners. In the event of the occurrence of certain events of default as set out in the Shareholders’ Agreement, including a material breach by a shareholder, the non-defaulting shareholder may sell or require the defaulting party to buy its shareholder’s interests in the relevant JV Company on certain terms agreed therein. In all cases, completion of any transfer of shareholding interest in the JV Companies shall be subject to compliance with the relevant applicable requirements under Chapter 14 of the Listing Rules, including but not limited to, any approval(s) required to be obtained by the Company and its controlling shareholder(s).

LETTER FROM THE BOARD

Conditions precedent

A member of the JV Group had entered into a sale and purchase agreement on 28 December 2022 in relation to the acquisition of the Property at a consideration of HK\$2,000 million, subject to adjustment, the completion of which is expected to take place on or around 3 April 2023, subject to customary conditions. The consideration for the acquisition of the Property was determined after arm's length negotiations between the seller and the purchaser on normal commercial terms with reference to, among other things, the available prevailing market prices of properties of similar nature located in neighbouring areas to the Property, the current property market sentiment and the outlook of the hotel business generally. The JV Group had obtained from open sources several property transactions completed during the period from October 2019 to April 2022 as referenced transactions, based on factors including but not limited to location, number of rooms, quality, facilities and infrastructure. The aggregate consideration of the referenced hotel property transactions in the districts including Jordan, Mong Kok, Hung Hom, Tai Kwok Tsui and To Kwa Wan, involving hotel properties with an aggregate of 1,241 rooms was approximately HK\$4,566 million, with the price per room ranging from HK\$2.31 million to HK\$5.20 million. The Company considers that the consideration of HK\$2,000 million for the acquisition of the Property which involves a hotel building with 695 rooms is in line with and within the range of the market prices in the referenced transactions.

The consideration for the acquisition of the Property will be settled by the JV Group with the capital contributed by the JV Partners in proportion to their equity interests in the JV Companies and bank loans.

As at the Latest Practicable Date, the WOP JV Partners have advanced shareholder's loans in the aggregate amount of HK\$143.6 million to the JV Companies, which shall be repaid to the WOP JV Partners upon termination of the Shareholders' Agreement. Further capital commitment contemplated under the JV Formation is conditional upon each of the Company and WOG having obtained the approval of their respective shareholders in respect of the Shareholders' Agreement and the JV Formation, and the acquisition of the Property becoming unconditional in all respects.

Any JV Partner will have the right to terminate the Shareholders' Agreement if the condition precedent in relation to the acquisition of Property is not satisfied by 3 April 2023. If the condition precedent set out above in relation to shareholders' approval of the Company and WOG is not fulfilled on or before 30 April 2023, the Shareholders' Agreement shall terminate automatically.

LETTER FROM THE BOARD

Other arrangements

It is expected that the JV Group will engage a member of the Group as its asset manager in respect of the Property.

INFORMATION ON THE JV COMPANIES AND THE PROPERTY

Fortune Harbour Investments Limited was incorporated in November 2022 and, on completion of the acquisition of the Property, will indirectly own 100% interest in the registered owner of the Property. It is owned as to 65% by Penta Holding (BVI) L.P. and 35% by Wickert Investments Limited, and is solely engaged in purchasing, holding, leasing out the Property for business use approved by its board of directors and selling the Property and/or its holding company for capital gain.

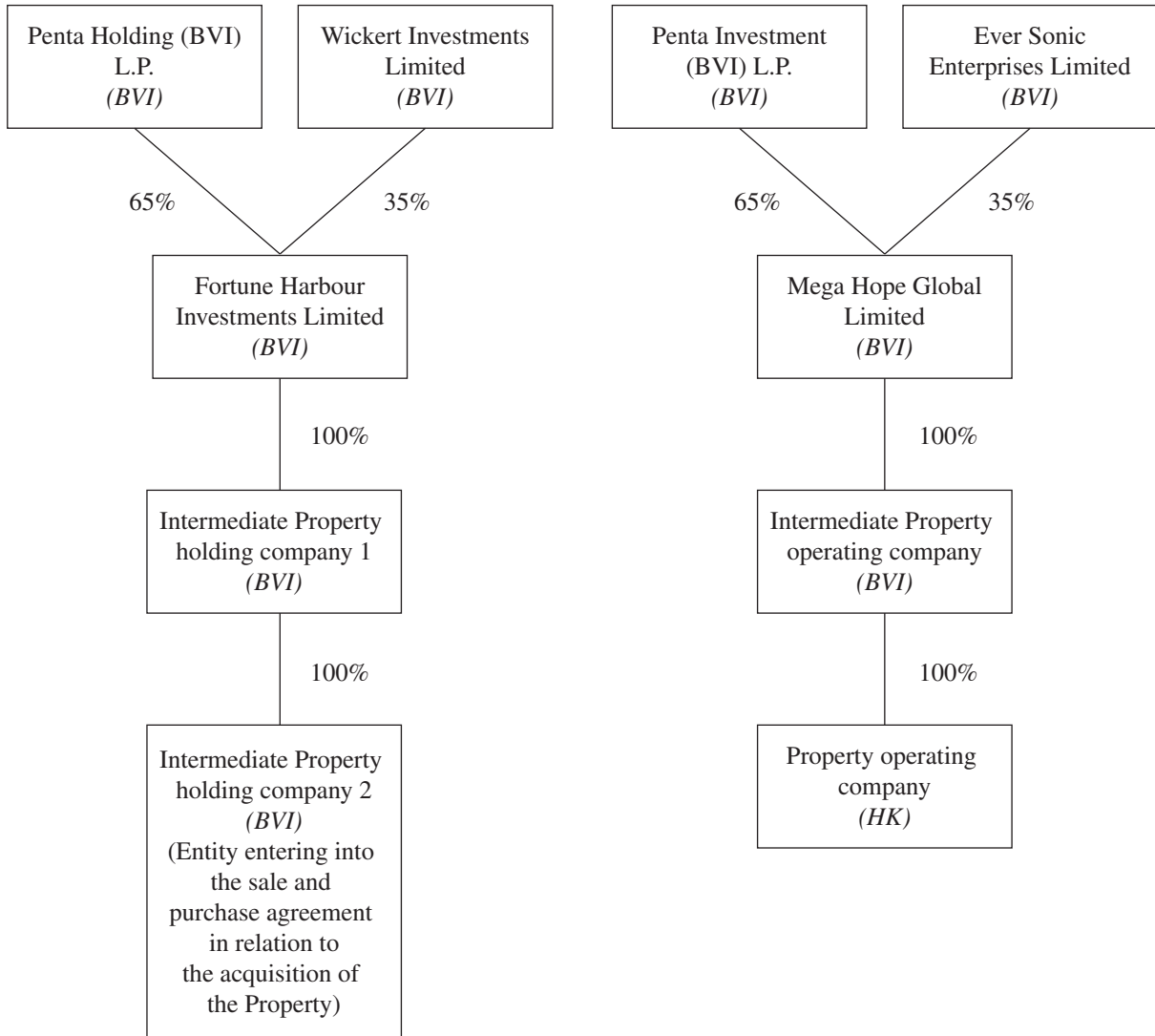
Mega Hope Global Limited was incorporated in November 2022 and is solely engaged in renovating, rebranding, remarketing, managing and operating the Property for business use approved by its board of directors. It is owned as to 65% by Penta Investment (BVI) L.P. and 35% by Ever Sonic Enterprises Limited.

The WOP JV Partners (i.e. Wickert Investments Limited and Ever Sonic Enterprises Limited) are wholly-owned subsidiaries of the Company. For further information regarding the AG JV Partners (i.e. Penta Holding (BVI) L.P. and Penta Investment (BVI) L.P.), please refer to the section headed “Information on the AG JV Partners” in the Letter from the Board.

The JV Companies and their respective subsidiaries are newly incorporated companies and have not commenced any operation apart from the entering into of the sale and purchase agreement in relation to the acquisition of the Property. The aggregate unaudited total assets and the aggregate unaudited net liabilities of the JV Group as at 28 December 2022 were approximately HK\$410.2 million and HK\$0.1 million, respectively.

LETTER FROM THE BOARD

The corporate shareholding structure of the JV Group as at the Latest Practicable Date can be diagrammatically presented as follows:



The Property is situated at No. 19 Luk Hop Street, Kowloon, Hong Kong, together with the hotel erected thereon currently known as “Pentahotel Hong Kong, Kowloon” (as may be rebranded and remarketed from time to time). The hotel building on the Property has 695 rooms with a total gross floor area of approximately 285,000 square feet. Situated between San Po Kong and Kai Tak in East Kowloon, the Property is positioned at a convenient location where both Diamond Hill MTR station and Kai Tak MTR station are within walking distance.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY AND THE GROUP

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

INFORMATION ON THE AG JV PARTNERS

Each of the AG JV Partners is a limited partnership established in the BVI, acting by its general partner, AGR XI Asia Member GP, L.L.C., being managed by Angelo, Gordon & Co, L.P., a well-known U.S. licensed investment manager. The limited partners of each AG JV Partner are investment funds managed by Angelo, Gordon & Co, L.P. with wide investor bases, and all eligible investors are “qualified purchasers” under the U.S. Investment Company Act of 1940. Such investment funds are not single purpose funds. Each AG JV Partner is principally engaged in real estate management business.

FINANCIAL IMPACT OF THE JV FORMATION

The JV Formation and the provision of the capital commitment as contemplated under the Shareholders’ Agreement by the Group will not have any material impact on the Group’s consolidated profit and loss, and assets and liabilities.

REASONS FOR AND BENEFITS OF THE JV FORMATION

The Board considers that the co-operation with the AG JV Partners under the Shareholders’ Agreement presents a good opportunity to capitalize on the Group’s knowledge and expertise in property investment and asset management and to partner with an experienced investor to enhance and enlarge the investment property portfolio of, while bringing additional asset management fee and share of operating profit of the JV Group to the Group.

The Directors consider that the terms of the Shareholders’ Agreement and the transactions contemplated thereunder (including the JV Formation) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the JV Formation exceeds 25% but is less than 100% for the Company, the JV Formation constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

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

RECOMMENDATION

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

ADDITIONAL INFORMATION

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

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 March 2020, 2021 and 2022, and for the six months ended 30 September 2022 are disclosed in the annual reports of the Company for the years ended 31 March 2020 (pages 108 to 242), 2021 (pages 76 to 218) and 2022 (pages 87 to 249), and the interim report of the Company for the six months ended 30 September 2022 (pages 26 to 72), respectively, which are published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.woproperties.com>) and which can be accessed by the direct hyperlinks below:

- (1) annual report of the Company for the year ended 31 March 2020 dated 29 June 2020 (pages 108 to 242)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0722/2020072200865.pdf>

- (2) annual report of the Company for the year ended 31 March 2021 dated 28 June 2021 (pages 76 to 218)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0726/2021072601254.pdf>

- (3) annual report of the Company for the year ended 31 March 2022 dated 27 June 2022 (pages 87 to 249)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200591.pdf>

- (4) interim report of the Company for the six months ended 30 September 2022 dated 24 November 2022 (pages 26 to 72)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1221/2022122100498.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2022, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had outstanding bank and other loans of approximately HK\$4,198.5 million, of which bank loans with an aggregate amount of approximately HK\$1,756.3 million were secured by the Group's property, plant and equipment, investment properties and certain rental income generated therefrom, properties held for sale, properties under development, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and share charges in respect of certain subsidiaries of the Group, which are engaged in property investment and development. The Group provided guarantees to banks in respect of banking facilities extended to joint ventures in an amount not exceeding HK\$450.8 million. Moreover, the Group's lease liabilities amounted to approximately HK\$19.2 million as at 31 December 2022.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 December 2022, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

3. WORKING CAPITAL STATEMENT

Taking into account the Group's capital commitment contemplated under the JV Formation and the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

Follow the sales launch of the "Larchwood" in August 2022, the Group plans to launch a new project located in Ap Lei Chau in the first quarter of 2023. The Group will continue to seek to replenish its land bank actively for future development by participating in public tender, old building acquisition and land use conversion.

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

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

5. MATERIAL ADVERSE CHANGE

Reference is made to the profit warning announcement of the Company dated 11 November 2022 (the "**Profit Warning Announcement**") and the interim report of the Company dated 24 November 2022 (the "**2022 Interim Report**"), in which it was disclosed that for the six months ended 30 September 2022, the Group recorded a decrease in profit attributable to owners of the parent of not less than 50% as compared to the profit attributable to owners of the parent for the same corresponding period in 2021 of approximately HK\$148.6 million. Such decrease was mainly attributable to decrease in delivery of completed residential projects from joint ventures, impairment on property held for sale and absence of fair value gain in investment properties during the six months ended 30 September 2022, as partially offset by an increase in gross profit resulting from delivery of property project wholly-owned by the Group during the same period.

Save as disclosed in the Profit Warning Announcement and the 2022 Interim Report, as of the Latest Practicable Date, there was no material adverse change in the financial position or trading position of the Group since 31 March 2022, being the date to which the latest published audited financial statements of the Group was made up.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

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

(b) Substantial shareholders' interest

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

Long positions in the Shares

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

Notes:

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

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

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

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

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

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

5. DIRECTORS’ SERVICE CONTRACTS

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

6. LITIGATION

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

7. MATERIAL CONTRACTS

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group which are or may be material:

- (a) the Shareholders' Agreement;
- (b) a sale and purchase agreement ("**SPA 6**") dated 1 September 2022 entered into between Sky Admiral Limited ("**Sky Admiral**"), an indirect wholly-owned subsidiary of the Company, as vendor, and Sky Plaza Limited, a wholly-owned subsidiary of Giant Harmony Limited ("**Giant Harmony**"), an indirect 50%-owned joint venture of the Company, as purchaser, in relation to the disposal of the entire issued share capital in Star Moral Limited ("**Star Moral**") and the assignment of the shareholder's loan owing by Star Moral to Sky Admiral for a consideration of HK\$554,817,000 (subject to adjustment in accordance with the SPA 6), details of which were set out in the joint announcement of the Company and WOG dated 1 September 2022 and the circular of the Company dated 23 September 2022;
- (c) a sale and purchase agreement ("**SPA 5**") dated 18 February 2022 entered into between City Arise Limited ("**City Arise**"), an indirect wholly-owned subsidiary of the Company, as vendor, and Giant Harmony, as purchaser, as amended and supplemented by a supplemental agreement dated 11 April 2022 entered into among City Arise, Giant Harmony and Delight Venture Limited, a direct wholly-owned subsidiary of Giant Harmony, in relation to the disposal of the entire issued share capital in True Promise Limited ("**True Promise**") and the assignment of the shareholder's loan owing by True Promise to City Arise for a consideration of HK\$490,732,000 (subject to adjustment in accordance with the SPA 5), details of which were set out in the joint announcement of the Company and WOG dated 18 February 2022 and the circular of the Company dated 20 April 2022;
- (d) a sale and purchase agreement ("**SPA 4**") dated 28 December 2021 entered into between Vivid Gemini Limited ("**Vivid Gemini**"), an indirect wholly-owned subsidiary of the Company, as vendor, and Giant Harmony, as purchaser, in relation to the disposal of the entire issued share capital in Sole Champion Limited ("**Sole Champion**") and the assignment of the shareholder's loan owing by Sole Champion to Vivid Gemini for a consideration of HK\$924,940,000 (subject to adjustment in accordance with the SPA 4), details of which were set out in the joint announcement of the Company and WOG dated 8 November 2021 and the circular of the Company dated 8 December 2021;

- (e) a sale and purchase agreement (“**SPA 3**”) dated 28 December 2021 entered into between Treasure South Limited (“**Treasure South**”), an indirect wholly-owned subsidiary of the Company, as vendor, and Giant Harmony, as purchaser, in relation to the disposal of the entire issued share capital in Surplus Hunter Limited (“**Surplus Hunter**”) and the assignment of the shareholder’s loan owing by Surplus Hunter to Treasure South for a consideration of HK\$451,278,000 (subject to adjustment in accordance with the SPA 3), details of which were set out in the joint announcement of the Company and WOG dated 8 November 2021 and the circular of the Company dated 8 December 2021;
- (f) a sale and purchase agreement (“**SPA 2**”) dated 28 December 2021 entered into between More Action Investments Limited (“**More Action**”), an indirect wholly-owned subsidiary of the Company, as vendor, and Giant Harmony, as purchaser, in relation to the disposal of the entire issued share capital in Pop Prestige Limited (“**Pop Prestige**”) and the assignment of the shareholder’s loan owing by Pop Prestige to More Action for a consideration of HK\$1,066,415,000 (subject to adjustment in accordance with the SPA 2), details of which were set out in the joint announcement of the Company and WOG dated 8 November 2021 and the circular of the Company dated 8 December 2021;
- (g) a sale and purchase agreement (“**SPA 1**”) dated 28 December 2021 entered into between Oasis Billion Limited (“**Oasis Billion**”), an indirect wholly-owned subsidiary of the Company, as vendor, and Giant Harmony, as purchaser, in relation to the disposal of the entire issued share capital in Spectrum Delight Limited (“**Spectrum Delight**”) and the assignment of the shareholder’s loan owing by Spectrum Delight to Oasis Billion for a consideration of HK\$558,824,000 (subject to adjustment in accordance with the SPA 1), details of which were set out in the joint announcement of the Company and WOG dated 8 November 2021 and the circular of the Company dated 8 December 2021;
- (h) a subscription and shareholders’ agreement dated 8 November 2021 entered into among the Company, Lucky Dynasty International Limited (“**Lucky Dynasty**”), an indirect wholly-owned subsidiary of the Company, Stichting Depository APG Strategic Real Estate Pool (“**Stichting Depository**”) and Giant Harmony, as amended and supplemented by a side letter dated 23 December 2021 entered into among the Company, Lucky Dynasty, Stichting Depository and Giant Harmony, in relation to (i) the subscription of one new share in Giant Harmony by Stichting Depository at a subscription price of HK\$1.00; (ii) the formation of a joint venture between Lucky Dynasty and Stichting Depository in relation to Giant Harmony; and (iii) the rights and obligations of Lucky Dynasty and Stichting Depository as shareholders of Giant Harmony, details of which were set out in the joint announcement of the Company and WOG dated 8 November 2021 and the circular of the Company dated 8 December 2021;

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

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

8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3201, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Wong Chin Han. She graduated from The Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration. She is a member of the American Institute of Certified Public Accountants.
- (c) The share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English texts of this circular shall prevail over the Chinese texts in the case of inconsistencies.

9. DOCUMENTS ON DISPLAY

A copy of the Shareholders' Agreement is available on display on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.woproperties.com from the date of this circular up to and including 3 March 2023.