
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in China Agri-Products Exchange Limited 中國農產品交易有限公司, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET COMPANY**

Capitalized terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 16 of this circular.

The Company has obtained written Shareholders' approval for the Sale and Purchase Agreement and the transactions contemplated thereunder. Accordingly, no Shareholders' meeting will be held to approve the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

17 June 2024

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Appendix I — Financial Information of the Group	I-1
Appendix II — Valuation Report on the Property	II-1
Appendix III — General Information	III-1

DEFINITIONS

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

“associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Board”	the board of the Directors
“CAP Loans”	intercompany loans owed by the Target Company to certain indirect wholly-owned subsidiaries of the Company, which amounted to approximately RMB140.47 million (equivalent to approximately HK\$154.94 million) as specified in the Sale and Purchase Agreement
“Company”	China Agri-Products Exchange Limited 中國農產品交易所有限公司, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 0149)
“Completion”	the completion of the sale and purchase of the Target Company after the requisite registration and filing with the relevant State Administration for Market Regulation in the PRC
“Completion Date”	the date on which Completion takes place
“Consideration”	the consideration for the Disposal of an initial sum of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million), subject to adjustments
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Target Equity by the Vendor to the Purchaser pursuant to the terms and conditions for the Sale and Purchase Agreement

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hongjin Qingjiang”	淮安市宏進清江農副產品批發市場有限公司 (Huai’an Hongjin Qingjiang Agricultural and By-Products Wholesale Market Co., Ltd.*), a company established in the PRC with limited liability and a direct non-wholly owned subsidiary of the Target Company as at the Latest Practicable Date
“Huai’an Qingjiangpu Government”	淮安市清江浦區人民政府 (the People’s Government of Qingjiangpu district of Huai’an city)
“Latest Practicable Date”	12 June 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Ching Ho, the chairman of the Company and an executive Director and a controlling Shareholder
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

DEFINITIONS

“Property”	the property comprising unsold portion of an agri-products logistic market mainly consisting of (i) 2 parcels of adjacent land with a total site area of approximately 101,630.60 sq.m. (approximately 1,093,943 sq.ft.); and (ii) various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m. (approximately 279,385 sq.ft.) for retail, wholesale, storage, office and facility uses, which is situated in the north of Bei Huan Road and east of Huaihai South Road, Qing Pu District, Huai’an, Jiangsu Province, the PRC (江蘇省淮安市清浦區北環路北側及淮海南路東側), which was owned and used by the Target Company as an agricultural products and by-products wholesale market as at the Latest Practicable Date
“Purchaser”	淮安市清江浦融豐農業開發有限公司 (Huai’an Qingjiangpu Rongfeng Agricultural Development Co., Ltd.*) (formerly known as 淮安市清浦區文化傳播有限公司 (Huai’an Qingpu District Cultural Communication Co., Ltd.*), a company established in the PRC with limited liability and was ultimately owned by the Huai’an Qingjiangpu Government as at the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 25 May 2024 entered into among the Vendor, the Purchaser, the Target Company and Hongjin Qingjiang in relation to, among others, the Disposal
“SAMR Approval Date”	the date on which the registration for change of shareholders in connection with the transfer of the Target Equity having been approved by the relevant State Administration for Market Regulation in the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	淮安宏進農副產品物流有限公司 (Huai’an Hongjin Agricultural By-Products Logistics Co., Ltd.*), a company established in the PRC with limited liability which was an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Target Equity”	100% of the equity interests in the Target Company held by the Vendor
“Target Group”	the Target Company and its subsidiary(ies)
“USD”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Grandwick Limited 僑域有限公司, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors
“WOG Group”	WOG and its subsidiaries

DEFINITIONS

“WOP”	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
“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“sq.m.”	square meters
“%”	per cent

For the purpose of this circular, unless otherwise specified, the conversion of HK\$ into RMB is based on the approximate exchange rate from HK\$1 to RMB0.90655. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

* For identification propose only

LETTER FROM THE BOARD



CHINA AGRI-PRODUCTS EXCHANGE LIMITED

中國農產品交易所有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0149)

Executive Directors:

Mr. Tang Ching Ho, *GBS, JP (Chairman)*
Mr. Leung Sui Wah, Raymond *(Chief Executive Officer)*
Mr. Wong Ka Kit
Ms. Luo Xu Ying

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Lau King Lung
Mr. Wong Ping Yuen
Mr. Li Yin Quan

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

17 June 2024

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET COMPANY**

INTRODUCTION

Reference is made to the joint announcement dated 25 May 2024 jointly issued by the Company and WOG in relation to among others, the Sale and Purchase Agreement. On 25 May 2024, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser, the Target

LETTER FROM THE BOARD

Company and Hongjin Qingjiang entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Company.

The purpose of this circular is to provide you with, among other things, (a) further particulars of the Sale and Purchase Agreement; (b) a valuation report on the Property; and (c) other information as required by the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized below.

Date

25 May 2024

Parties

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company (as vendor);
- (ii) the Purchaser (as purchaser);
- (iii) the Target Company, an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date (as the target company); and
- (iv) Hongjin Qingjiang (as the Target Company's subsidiary)

Subject matter

The subject matter under the Sale and Purchase Agreement is the sale and purchase of the Target Equity. The Target Equity represents the entire equity interests in the Target Company as at the Latest Practicable Date. The Purchaser has also undertaken under the Sale and Purchase Agreement to, within 7 business days of the SAMR Approval Date, provide funding to the Target Company in the amount of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million) for the Target Company's repayment of the CAP Loans within 14 business days of the SAMR Approval Date.

LETTER FROM THE BOARD

Consideration

The Consideration for the Disposal is initially approximately RMB28.90 million (equivalent to approximately HK\$31.88 million), subject to adjustments as described below and shall be satisfied by the Purchaser in the following manner:

- (i) 95% of the adjusted Consideration (i.e. the Consideration after incorporating any adjustments as referred to below) shall be payable in cash within 60 days after the Completion Date by the Purchaser to the Vendor, whereas part of such amount equal to RMB10.0 million (equivalent to approximately HK\$11.03 million) may be settled by applying a deposit payable by the Purchaser upon signing of the Sale and Purchase Agreement and the opening of an escrow bank account in the name of the Target Company; and
- (ii) the remaining 5% of the adjusted Consideration shall be payable in cash within 180 days after the Completion Date by the Purchaser to the Vendor.

The initial Consideration as stated above shall be adjusted by comparing the consolidated net assets value of the Target Group:

- (a) as shown in its consolidated accounts as at 31 July 2024 to be prepared by an independent auditor; and
- (b) as shown in its consolidated accounts as at 31 December 2023.

If (a) is higher than (b), the Consideration shall be adjusted upwards accordingly, subject to a maximum adjusted total Consideration of approximately RMB71.71 million; if (a) falls short of (b), then the Consideration shall be adjusted downwards accordingly subject to a minimum of RMB nil (the range of adjustment amounts are determined primarily by reference to possible revaluation in relation to the assets of the Target Group). The amount of the adjustment to the Consideration will be assessed by an independent auditor, and in the event the Vendor and the Purchaser are unable to reach agreement on such adjustment, both parties will have the right to terminate the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser, taking into account primarily the unaudited consolidated net assets attributable to the owners of the Target Group as at 31 March 2024 of approximately HK\$23.73 million, which takes into account the Property's valuation as at 31 March 2024 of approximately RMB156 million (equivalent to approximately HK\$172.08 million), the principal amount of the CAP Loans of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million), and other

LETTER FROM THE BOARD

assets and liabilities of the Target Company arising from its principal business, being the operation and management businesses of agricultural products market. The difference between the amount of the initial Consideration and the net asset value of the Target Company as at 31 March 2024 represents a premium arising from the parties' negotiations based on a number of factors including but not limited to the Purchaser's own assessment of the Target Company and its prospects.

The maximum upward adjustment amount of RMB42.81 million, i.e. (RMB71.71 million minus RMB28.90 million), represents the Vendor's estimation of the maximum upward changes to the Target Company's asset positions after 31 December 2023 (being the net asset value reference date) which principally takes into account possible asset revaluation expected to be recorded by the Target Group referred to above. As disclosed above, the amount of adjustment to the Consideration will be assessed by an independent auditor and in the event the Vendor and the Purchaser could not reach agreement on the amount of adjustment, both parties will have the right to terminate the Sale and Purchase Agreement. The Company will review the adjustment to the Consideration when it becomes available and assess whether it fairly represents the changes to the Target Group's changes in its asset positions.

Conditions precedent

Completion is conditional upon the satisfaction of the following conditions precedent:

- (i) the assets and liabilities in relation to the Target Group as referred to in the Sale and Purchase Agreement being complete and accurate and without undisclosed encumbrances;
- (ii) except for the indebtedness as specified in the Sale and Purchase Agreement, the Vendor and the Target Group having no other debts, contingent liabilities, material litigation or other circumstances that would affect the consummation of the Disposal;
- (iii) the information relating to all outstanding contracts and existing personnel of the Target Company as disclosed in the Sale and Purchase Agreement remaining complete and without omission;
- (iv) parties to the Sale and Purchase Agreement having completed the applicable approval procedures with respect to the Disposal;
- (v) the Target Company having obtained the respective confirmation letters from the creditor(s) with respect to the CAP Loans undertaking not to make claims against the Target Company and/or the Purchaser on or before the repayment date as agreed in the Sale and Purchase Agreement;

LETTER FROM THE BOARD

- (vi) each of the Company and WOG having completed the compliance requirements pursuant to the Listing Rules, including the despatch of the respective shareholders' circulars and the passing of the requisite resolutions by the shareholders of the Company and WOG approving the Sale and Purchase Agreement and the transactions contemplated thereunder, where appropriate;
- (vii) each of the Board and WOG Board having approved the terms of the Sale and Purchase Agreement and the Disposal in accordance with its terms and conditions; and
- (viii) the Vendor and the Purchaser having confirmed in writing on the arrangements in handling the existing personnel of the Target Company and Hongjin Qingjiang.

The conditions precedent in paragraphs (vi) to (vii) shall be fulfilled by the Vendor within 60 days upon signing of the Sale and Purchase Agreement (which may be extended for a further 30 days or such longer period as the Vendor and the Purchaser may agree), and failing which, the Vendor will have the right to terminate the Sale and Purchase Agreement.

As at the Latest Practicable Date, the condition precedent set out in paragraph (vii) above has been fulfilled and with respect to condition precedent in paragraph (vi) above, the Company has received a written approval from Rich Time Strategy Limited and Onger Investments Limited approving the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

Guarantee

The obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement are respectively guaranteed by Luoyang Hongjin Agricultural and By-Products Wholesale Market Company Limited* (洛陽宏進農副產品批發市場有限公司) (a wholly-owned subsidiary of the Company) and Huai'an Qingjiangpu Chengtou Holdings Group Company Limited* (淮安市清江浦城投控股集團有限公司) (which is ultimately owned by the Huai'an Qingjiangpu Government) by way of separate letters of guarantee as prescribed under the Sale and Purchase Agreement.

Completion

Within 3 days of (i) the satisfaction of all the conditions precedent under the Sale and Purchase Agreement; and (ii) the Vendor's and the Purchaser's agreement on the amount of the adjusted Consideration, the Vendor shall issue a notification to the Purchaser, whereupon the

LETTER FROM THE BOARD

Vendor and Purchaser shall, within 7 business days of the Vendor's notice, apply to the relevant State Administration for Market Regulation for registration of the change of shareholders of the Target Company.

Completion of the sale and purchase of the Target Company shall take place within 3 days after the SAMR Approval Date.

Pursuant to the Sale and Purchase Agreement, if the Purchaser fails to perform any of its obligations to settle the Consideration, to provide funding to the Target Company for the repayment of the CAP Loans, or to procure the Target Company to repay the CAP Loans, it will become liable to pay compensation to the Vendor at a daily rate of 0.01% of the adjusted Consideration and, on continued default of more than 60 days, an additional compensation at 20% of the Consideration whereupon the Vendor shall also have the right to terminate the Sale and Purchase Agreement.

INFORMATION ON THE TARGET GROUP

The Target Company is a company established in the PRC with limited liability. It has a registered capital of USD35 million, of which approximately USD30.30 million has been fully paid up. The Target Company is an indirect wholly-owned subsidiary of the Company prior to the Completion. The Target Group is principally engaged in the business of operation and management of agricultural products and by-products wholesale market in Huai'an city of Jiangsu province. As at the Latest Practicable Date, the principal asset of the Target Group was the Property.

Information on the Property

The Target Company is the registered, legal and beneficial owner of the Property. The Property comprises unsold portion of an agri-products logistic market mainly consisting of (i) 2 parcels of adjacent land with a total site area of approximately 101,630.60 sq.m. (approximately 1,093,943 sq.ft.); and (ii) various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m. (approximately 279,385 sq.ft.) for retail, wholesale, storage, office and facility uses. The Property is located in Qingjiangpu district of Huai'an city in the Jiangsu Province (江蘇省淮安市清江浦區). As at the Latest Practicable Date, the Property was used by the Target Company as an agricultural products and by-products wholesale market. The preliminary indicative valuation of the Property by an independent valuer was approximately RMB156.0 million as at 30 April 2024.

LETTER FROM THE BOARD

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is a summary of the unaudited consolidated financial information of the Target Group for the two financial years ended 31 March 2024 and 2023:

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net (loss) before tax	(13,675)	(12,232)
Net (loss) after tax	(13,629)	(12,232)

The unaudited consolidated net assets attributable to the owners of the Target Group as at 31 March 2024 was approximately HK\$23.73 million.

FINANCIAL EFFECTS AND INTENDED USE OF PROCEEDS FROM THE DISPOSAL

Assets and liabilities

Having taken into account the initial Consideration and the unaudited net asset value of the Target Group as at 31 March 2024, it is estimated that upon Completion, the total assets of the Group will decrease by approximately HK\$13.76 million. The total liabilities of the Group will decrease by approximately HK\$52.21 million. It is estimated that the net assets of the Group will have an increase of approximately HK\$38.45 million, being the net effect of the changes of the total assets and total liabilities of the Group.

Earnings

Upon Completion, the Group is expected to record a gain on Disposal of approximately HK\$6.58 million before the release of exchange reserves at group level of approximately HK\$20.76 million, and will yield a net loss on Disposal of approximately HK\$14.18 million after release of exchange reserves. Such loss on Disposal is calculated with reference to the expected proceeds in the aggregated amount of approximately HK\$186.82 million comprising (i) the initial amount of the Consideration for the sale and purchase of the Target Equity of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million) and (ii) the repayment amount of the CAP Loans of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million), and deducting from it (i) the unaudited consolidated net assets attributable to the owners of the Target Group as at 31 March 2024 of approximately HK\$23.73 million, (ii) the amount of the CAP Loans of approximately RMB140.47 million (equivalent to approximately HK\$154.94

LETTER FROM THE BOARD

million), (iii) release of exchange reserves at group level of approximately HK\$20.76 million as at 31 March 2024 and (iv) relevant expenses of approximately HK\$1.57 million. The aforesaid exchange reserves are recorded since the consolidated financial statements of the Group are presented in HK\$, whereas the functional currency of the Target Company is RMB. Accordingly, at the end of each financial reporting period, the assets and liabilities of the Target Company are translated into HK\$ at the exchange rates then prevailing at the end of the reporting period and its statement of profit or loss is translated into HK\$ at the exchange rates prevailing at the dates of the relevant transactions. The resulting exchange differences are recognised in the Company's other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of the Target Company, the cumulative amount in the Company's reserve relating to the Target Company (which for the purpose of the Company's financial statement is regarded as a foreign operation) is recognised in the statement of profit or loss, which is included in determining the financial effect of the Disposal on the Group. Subject to adjustments as described above in the section headed "THE SALE AND PURCHASE AGREEMENT — Consideration" in this circular, the initial Consideration of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million) exceeds the net assets attributable to the owners of the Target Group as at 31 March 2024, which amounted to approximately HK\$23.73 million, by an amount of HK\$8.15 million.

Save for the aforesaid, there is not expected to be any material change to the profit attributable to the Shareholders following Completion.

The actual gain or loss to be recorded by the Group is subject to audit and review by the auditors of the Company.

The Group plans to utilise the net proceeds from the Disposal for repayment of interest-bearing borrowings, general operation and working capital purpose.

Upon Completion, the Target Company will cease to be a subsidiary of the Group, and the financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

INFORMATION ON THE PURCHASER

The Purchaser is a company established in the PRC and is principally engaged in production, sales, processing, transportation, storage of agricultural products and park management services. It was ultimately wholly owned by Huai'an Qingjiangpu Government as at the Latest Practicable Date.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of each of the Company and its connected persons.

INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in the business of management and sale of properties in agricultural produce exchange markets in the PRC.

The Vendor is a company established in the Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company was established by the Company in 2013 for agricultural products and by-products wholesale market operations in Huai'an city of Jiangsu province. The Target Group has been loss-making since 2021. For illustration, the unaudited consolidated net losses after tax of the Target Group amounted to approximately HK\$22.9 million, HK\$12.2 million and HK\$13.6 million for the three financial years ended 31 March 2022, 2023 and 2024 respectively. The Directors consider that the sub-optimal track record of the Target Group is primarily attributable to the competition from other agri-products wholesale markets in Huai'an city. In light of such sub-optimal performance for more than 3 years, the Group's management has sought to divest from the Target Group. Further, the initial Consideration of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million) represented an approximate 34% premium over the unaudited consolidated net assets value attributable to the owners of the Target Group as at 31 March 2024 of approximately HK\$23.73 million, and also the Purchaser will be funding for the Target Company's repayment of the CAP Loans which effectively represent additional purchase price payable to the Group that can enhance the Group's working capital position. Taking into account the terms of the Disposal including the value of the initial Consideration, the possible upside up to the maximum amount of the adjusted Consideration, the Vendor's right to terminate the transaction if the amount of adjustment to the Consideration cannot be agreed between the Vendor and the Purchaser, and the Purchaser's undertaking to fund the Target Company's repayment of the CAP Loans, the Board considers that the Disposal presents an opportunity for the Group to divest from the Target Group without having to further support the daily operational expenses of the Target Group and its future capital investment needs, and at the same time yielding substantial cash proceeds which the Group may deploy as detailed in the section headed "FINANCIAL EFFECT AND INTENDED USE OF PROCEEDS FROM THE DISPOSAL" of this circular, and is therefore in the commercial interest of the Group as compared to remaining invested in the Target Group, which for a prolonged period of time has not generated any profit that benefit the Group substantively.

LETTER FROM THE BOARD

Having taken into account of the above reasons and benefits, the Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, which have been determined on an arm's length basis, are 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 Sale and Purchase Agreement and the transactions contemplated thereunder exceeds 25% but is less than 75% for the Company, the entering into of the Sale and Purchase Agreement constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. On 25 May 2024, the Company received a written approval from each of Rich Time Strategy Limited and Onger Investments Limited (each an indirect subsidiary of WOG), being a closely allied group of Shareholders, each holding 3,674,814,532 and 2,007,700,062 Shares and collectively holding 5,682,514,594 Shares in aggregate, representing approximately 57.09% of the total issued share capital of the Company, carrying rights to vote at a general meeting of the Company, approving the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

No Director has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions of the Company to approve any of the same.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf 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

1. INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2024, 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\$1,289.6 million, of which bank loans with an aggregate amount of approximately HK\$909.6 million were secured by the Group's investment properties, properties held for sale and pledged deposit. The Group also provided guarantees to customers in favour of certain banks for the loans provided by the bank in an amount approximately HK\$21.9 million. Moreover, the Group's lease liabilities amounted to approximately HK\$32.3 million as at 30 April 2024.

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 30 April 2024, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

2. WORKING CAPITAL STATEMENT

Taking into account the Disposal 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.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

During the year, the continuous high tension between the PRC and the United States, and the downfall of Chinese real estate hindered the economic growth. However, such effects have little impact on the Group's operation which is mainly focused on the PRC domestic market. Looking ahead, the Group will continue to build a nationwide agricultural produce exchange network by leveraging on its leading position in the industry, readily replicable business model, well-advanced management system, information technology infrastructure and quality customer services.

In order to capture new business opportunities, the Group has taken further steps to expand its operations in the PRC by cooperating with different partners with an "asset light" strategy. It has also explored electronic platform development to capture the opportunity of technology advancement brought by the promotion of data economy by the PRC government. The Group

further expanded its operations to wet market and trading by leveraging on its leading position in the industry and the Group is confident that its business strategy and operation model will deliver long-term benefits to the Company and the Shareholders as a whole.

The Disposal will enable the Group to reallocate its resources into repayment of interest-bearing borrowings, general operation and working capital purpose.

The following is the text of a letter, and valuation report, prepared for the purpose of incorporation in this Circular received from RHL Appraisal Limited, an independent valuer, in connection with its valuation of the properties held by China Agri-Products Exchange Limited, together with its subsidiaries as at 30 April, 2024.



永利行評估顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 3408 3188
F +852 2736 9284

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

17 June 2024

The Board of Directors

China Agri-Products Exchange Limited

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

Dear Sirs/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the properties interests (the “**Unsold Properties**”) held by China Agri-Products Exchange Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in the People’s Republic of China (the “**PRC**”). We confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the such property interest as at 30 April 2024 (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

We have valued property 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.

VALUATION CONSIDERATIONS

In valuing the Property, we have complied with all the requirements contained in Chapter 5, Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards 2022.

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, Guangdong Zhuo Jian Law Firm, concerning the validity of the titles to the property interests.

LIMITING CONDITIONS

We have conducted on-site inspections in April 2024 by Ms. Liu Jing (MSc in Geo-information Science).

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 Property are free from rot, infestation or any other defects. No tests were carried out on any of the services.

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.

Should it be discovered that any contamination, subsidence or other latent defect 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 to a 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

We have valued the property in Renmibi (RMB).

We enclose herewith the “Property Particulars and Opinion of Value”.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Jessie X. Chen
MRICS, MSc (Real Estate), BEcon
Senior Associate Director

Jenny S. L. Mok
MHKIS, MRICS, BSc(Hons)
Senior Manager

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

Ms. Jenny S. L. Mok is a Chartered Surveyor with over 10 years’ experience in valuation of properties in HKSAR and mainland China. Ms. Mok is a Professional Member of The Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market Value as at 30 April 2024 RMB
Huai'an Hong-Jin Agri-Products International Logistics Centre, north of Bei Huan Road and east of Huaihai South Road, 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淮海南路東側之淮安宏進農副產品國際物流中心)	<p>The property comprises unsold portion of a Agri-products logistic market mainly consisting of 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 and structures with a total gross floor area of approximately 25,955.73 sq.m.(279,385 sq.ft.). The property is completed in about 2016 to 2021 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>	The property is operated by the owner as an agricultural products and by-products wholesale market.	<p>156,000,000 (RENMINBI ONE HUNDRED AND FIFTY SIX MILLION ONLY)</p> <p>100% interest attributed to the Group: RMB156,000,000</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 Logistics Limited (淮安宏進農副產品物流有限公司) (“**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	100m
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3208012014CR0447), 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 Certificate — 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, 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 Certificate — 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.

Pursuant to the legal opinion, pursuant to various Building Ownership Certificates, the building ownership with a total gross floor area of approximately 14,330.35 sq.m., has been vested in Huai'an Hong-Jin. Among which, portion of the property with a total gross floor area of 2,919.15 sq.m. has been sold and all the payment have been settled. But the purchaser has not yet gone through the transfer registration procedures, the lawyer consider such portion had been sold. Therefore, we have only taken account properties with gross floor area of 11,411.20 sq.m. as the unsold portion in the valuation.

5. Pursuant to the legal opinion, level 4 of block A5 with gross floor area of 844.53 sq.m. is used for property management office use but without real estate right certificate. As property management office is part of facility in the whole development and the construction of such portion has been applied and accepted when completed. The lawyer considered such portion can be used legally.
6. There are 7 steel frame sheds on the site which called zone C. They are permitted pursuant to 7 Temporary Construction Work Planning Permits dated 3 September 2021 expiring on 2 September 2024. As stated, the total construction area is at 13,700 sq.m. with details as below:

Certificate No.	Block No.	Permitted GFA (sq.m.)
320812202100577	C-1#	2,400
320812202100578	C-2#	2,400
320812202100579	C-3#	2,400
320812202100580	C-4#	2,400
320812202100581	C-5#	2,400
320812202100582	C-6#	1,000
320812202100583	Storehouse	700
Total		13,700

7. Refer to the legal opinion by the Group's PRC legal adviser, Guangdong Zhou Jian Law Firm, dated 11 June 2024, regarding the legal title of the property, which contains, inter alia, the followings:
- 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. the property with a stie area of approximate 48,452.60 sq.m. is subject to mortgage in favour of Bank of Suzhou Corporation Limited Huai'an Branch (蘇州銀行股份有限公司淮安分行) with a lump sum of RMB48,400,000. We have not taken into account such mortgage in our valuation;
 - iv. the property with a total gross floor area of approximate 1,397.24 sq.m. is subject to mortgage in favour of Bank of Suzhou Corporation Limited Huai'an Branch (蘇州銀行股份有限公司淮安分行) with a lump sum of RMB8,640,000. We have not taken into account such mortgage in our valuation;
 - v. the property with a total gross floor area of approximate 3,358.42 sq.m. is subject to mortgage in favour of Jiangsu Huaian Rural Commercial Bank Corporation Limited (江蘇淮安農村商業銀行股份有限公司) with a lump sum of RMB15,000,000. We have not taken into account such mortgage in our valuation;
 - vi. Huai'an Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of individual units with real estate title certificates separately in the market;
 - vii. Huai'an Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;
 - viii. the temporary sheds can be occupied or leased in the market, but cannot be mortgaged or transferred in the market; and
 - ix. except for (iii), (iv) and (v), the property is free from any mortgage or third parties' encumbrance.
8. Portions of property including some apartments and shops had been sold but have not delivered to purchaser, we have included such in our valuation based on the consideration.

9. As the property includes various shops, apartment and vacant site. We have assessed the property based on respective usage to come out a total market value, break down area of the property is as below:

Property Type	Gross Floor Area (sq.m.)	Breakdown Value (RMB)(ROUNDED)
<i>Sold But Not Yet Delivered Portion</i>		
Apartment	225.96	670,000
Inner Street Shop	265.54	910,000
Sub Total	491.50	1,580,000
Unsold Portion		
Apartment	4,771.72	15,460,000
Street-face Shop	1,449.15	6,170,000
Inner Street Shop	4,698.83	19,020,000
Facility	844.53	No Commercial Value 23,000,000
Shed	13,700.00 (Site Area)	(Refer to Construction Cost)
Vacant Site	100,122.09)	91,110,000
Sub Total	24,619.70	154,760,000
Total	25,955.73	156,000,000

We have identified various relevant comparable which satisfied the selection criteria on time, usage, condition and location. The comparable with price too high or too low are excluded.

Below are comparable tables:

Shop:

Comparables	A	B	C	D	E
Address	Shop unit at Zone A2, Gold List Garden, 16 Mingyuan Road	Shop unit at Hancheng Plaza, 33 Tianjin Road	Shop unit at Zone A1, Gold List Garden, 16 Mingyuan Road	Shop unit at South Gate of Southern Garden, 23 Feiyao Road	Shop unit at West Zone, Southern Garden, 23 Feiyao Road
Date of Asking	April 2024	April 2024	March 2024	April 2024	April 2024
Approximate gross floor area (sq.m.)	70.00	98.00	100.00	330.00	215.00
Asking price (RMB)	580,000	800,000	720,000	2,360,000	1,750,000
Unit rate (RMB/sq.m.)	8,286	8,163	7,200	7,152	8,140

We have compared the factors and made adjustments on asking discount, location, size and condition. Downward adjustment on price as asking discount is made to reflect to negotiation. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. For location, downward adjustment is made due to comparable is in better location. Further discount on the condition is made to reflect the difference between subject property and the comparable.

After making the above due adjustments, the five adjusted unit rates are assigned with the same weight and represent a weighted average of RMB4,260 per sq.m. on the basis of gross floor area.

Residential:

Comparables	Transaction A	Asking B	Asking C	Asking D
Address	Unit at Balsa Pond, 15 Shantou Road	Unit at Balsa Pond, 15 Shantou Road	Unit at Balsa Pond, 15 Shantou Road	Unit at Brick Well Garden, 8 Hong Heng Sheng Road
Date of Asking/Transaction	March 2024	March 2024	March 2024	March 2024
Approximate gross floor area (sq.m.)	77.00	52.00	87.00	73.51
Asking / Transaction price (RMB)	298,000	310,000	520,000	400,000
Unit rate (RMB/sq.m.)	3,870	5,962	5,977	5,441

We have compared the factors and made adjustments on asking discount, location, size, floor and condition. Downward adjustment on price as asking discount is made to reflect to negotiation. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. For location, downward adjustment is made due to comparable is in better location. Floor factor is also adjusted based on better view and air ventilation on higher floor and vice versa. Further discount on the condition is made to reflect the difference between subject property and the comparable.

After making the above due adjustments, the three adjusted unit rates are assigned with the same weight and represent a weighted average of RMB3,240 per sq.m. on the basis of total gross floor area.

Land:

Comparables	A	B	C	D
Address	A parcel of land at North of Tianming Road	A parcel of land at North of Chunhui Road	A parcel of land at South of Tongfu Road	A parcel of land at East of South Huaihai Road
Lot No.	Huai Ziran (Pu) Gua 2023 No.19	Huai Ziran (Gong) Gua 2023 No.7	Huai Ziran (Gong) Gua 2023 No.2	Huai Ziran (Pu) Gua 2021 No.20
Date of Transaction	October 2023	November 2023	May 2023	January 2022
Usage	Retail commercial land	Retail commercial land	Retail commercial land	Wholesale market land
Site area (sq.m.)	55,086.00	58,846.00	84,043.00	110,875.40
Plot Ratio	3.00	3.00	2.00	1.20
Permitted Gross Floor Area (sq.m.)	165,258.00	176,538.00	168,086.00	133,028.88
Transaction price (RMB)	221,000,000	220,000,000	248,000,000	111,200,000
Unit rate (RMB/sq.m.)	1,337	1,246	1,475	836
Remaining Tenure (year)	39.57	39.63	39.13	37.80

We have compared the factors and made adjustments on location, usage, size, and tenure. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. For location factors, upward adjustments have been made on comparable A and B while discount has been given to comparable C. No adjustment on location of comparable D is made. As all comparable are newly acquired land with longer land use right tenure comparing to land use right of subject property, discount is made on tenure.

After making the above due adjustments, the four adjusted unit rates are assigned with the same weight and represent a weighted average of RMB910 per sq.m. on the basis of total gross floor area.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS**(a) Interests of Directors**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the Shares:

Name of Director	Nature of interest	Total Number of Shares and underling Shares involved	Approximate percentage of the Company's total issued Shares
			<i>(Note a)</i> %
Mr. Tang Ching Ho ("Mr. Tang")	Interest of controlled corporation	5,682,514,594 <i>(Note b)</i>	57.09

Name of Director	Nature of interest	Total Number of Shares and underling Shares involved	Approximate percentage of the Company's total issued Shares
Mr. Leung Sui Wah, Raymond ("Mr. Leung")	Beneficial owner	50,000,000 (Note c)	0.50 (Note a) %
Mr. Wong Ka Kit ("Mr. Wong")	Beneficial owner	25,000,000 (Note d)	0.25
Ms. Luo Xu Ying ("Ms. Luo")	Beneficial owner	6,000,000 (Note e)	0.06

Notes:

- (a) The percentage(s) were disclosed pursuant to the relevant disclosure form(s) filed under the SFO as at the Latest Practicable Date.
- (b) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, among of the 5,682,514,594 Shares, 2,007,700,062 Shares were held by Onger Investments Limited ("**Onger Investments**") and 3,674,814,532 Shares were held by Rich Time Strategy Limited ("**Rich Time**"). Each of Onger Investments and Rich Time was directly wholly-owned by Wang On Enterprises (BVI) Limited ("**WOE**"), which is in turn directly wholly-owned by WOG which was owned as to approximately 42.80% by Mr. Tang, together with his associates including Accord Power Limited (of which Mr. Tang is a director), which is indirectly wholly-owned by Alpadis Trust (HK) Limited in its capacity as the trustee of Tang's Family Trust. Alpadis Trust (HK) Limited was the trustee of Tang's Family Trust. Alpadis Trust (HK) Limited was owned as to 20% by each of Eastwest Trading Ltd., Raysor Limited, AGH Invest Ltd., AGH Capital Ltd. and Alpadis Group Holding AG (each of Eastwest Trading Ltd., Raysor Limited, AGH Invest Ltd. and AGH Capital Ltd. was wholly owned by Alpadis Group Holding AG); Alpadis Group Holding AG was in turn held by ESSEIVA, Alain as to 91% and therefore ESSEIVA, Alain and his spouse TEO Wei Lee are both interested in the shares in WOG as held by Accord Power Limited.
- (c) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, Mr. Leung held 50,000,000 underlying Shares as at the Latest Practicable Date, representing interests in share options granted to the Director under the share option scheme of the Company to subscribe for the Shares.
- (d) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, Mr. Wong held 25,000,000 underlying Shares as at the Latest Practicable Date, representing interests in share options granted to the Director under the share option scheme of the Company to subscribe for the Shares.
- (e) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, Ms. Luo held 6,000,000 underlying Shares as at the Latest Practicable Date, representing interests in share options granted to the Director under the share option scheme of the Company to subscribe for the Shares.

Interest in the shares and underlying shares of associated corporations of the Company:

Name of Director	Name of associated corporation	Nature of interest	Total number of shares involved (note b)	Approximate percentage of the associated corporation's total issued shares (note a) %
Mr. Tang	WYT	Interest of controlled corporation	810,322,940	72.02
	WOP	Interest of controlled corporation	11,400,000,000	75.00
	WOG	Beneficial Owner	28,026,339	
		Interest of spouse	28,026,300	
		Interest of controlled corporation	1,017,915,306	
	Founder of a discretionary trust	4,989,928,827		
	Total		6,063,896,772	42.80

Notes:

- (a) The percentage(s) were disclosed pursuant to the relevant disclosure form(s) filed under the SFO as at the Latest Practicable Date.
- (b) With reference to note (b) above, as at the Latest Practicable Date, 810,322,940 shares of WYT were held by Rich Time; 11,400,000,000 shares of WOP were held by Earnest Spot Limited (a direct wholly-owned subsidiary of WOE). Amongst the 1,017,915,306 shares of WOG held under interest of controlled corporation, 531,000,000 shares were held by Billion Trader Investments Limited (a direct wholly-owned subsidiary of Loyal Fame International Limited which is in turn a direct wholly-owned subsidiary of Easy One Financial Group Limited (“**Easy One**”) and 486,915,306 shares were held by Caister Limited (a company wholly owned by Mr. Tang). Easy One was a direct wholly-owned subsidiary of Caister Limited.

(b) Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO

Save as disclosed below and in this circular, no person (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date:

Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital <i>(Note c)</i>
WOG	Interest of controlled corporation <i>(Note a)</i>	5,682,514,594	57.09
Ms. Yau Yuk Yin	Interest of spouse <i>(Note b)</i>	5,682,514,594	57.09

Notes:

- (a) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, among of the 5,682,514,594 Shares, 2,007,700,062 Shares were held by Onger Investments Limited (“**Onger Investments**”) and 3,674,814,532 Shares were held by Rich Time Strategy Limited (“**Rich Time**”). Each of Onger Investments and Rich Time was directly wholly-owned by Wang On Enterprises (BVI) Limited (“**WOE**”), which is in turn directly wholly-owned by WOG.
- (b) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, Ms. Yau Yuk Yin was taken to be interested in the 5,682,514,594 Shares in which her spouse, Mr. Tang, was deemed to be interested under the SFO.
- (c) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed below and in this circular, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and 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:

Name of Director	Name of company which had such discloseable interest or short position	Position with such company
Mr. Tang	WOG	director

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 2023 (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 CONTRACT

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, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

Within the two years immediately preceding the 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 members of the Group which are or may be material:

- (a) the Sale and Purchase Agreement; and
- (b) a master licensing agreement dated 1 October 2022 entered into between the Company and WOG for a term of three years from 1 October 2022 to 30 September 2025, pursuant to which the WOG Group may grant license of certain wet market properties (or any part thereof) in Hong Kong under the management of the WOG Group, or of which the WOG Group has the right to grant the license to use, to the Group subject to the highest annual cap (in relation to the license fee between the Group and the WOG Group) (in relation to the amount of right-of-use assets to be recognised under relevant definitive licensing agreements to be entered into between the Group and the WOG Group), the details of which are set out in the joint announcement of the Company, WOG and WYT dated 1 October 2022.

8. EXPERT AND CONSENT

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

Name	Qualification
RHL Appraisal Limited	Independent professional valuer

As at the Latest Practicable Date, the expert referred to above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

9. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Ng Yee Man, Fiona. She is a fellow member of The Association of Chartered Certified Accountants, The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, and an associate member of The Hong Kong 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 their Chinese texts in case of inconsistencies.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.cnagri-products.com for a period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the valuation report on the Property prepared by RHL Appraisal Limited as set out in Appendix II to this circular; and
- (c) the letter of consent from the expert as referred to in the paragraph headed "8. Expert and Consent" in this appendix.