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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

INTERIM FINANCIAL HIGHLIGHTS

	Six months ended 30 September		Change
	2024 (Unaudited) HK\$ million	2023 (Unaudited) HK\$ million	
Revenue	1,230	1,136	+8.3%
Gross profit	428	435	-1.6%
Profit attributable to owners of the parent	86	111	-22.5%
Earnings per share (HK cent)			
— Basic and diluted	0.61	0.81	-24.7%
	As at 30 September 2024 (Unaudited) HK\$ million	As at 31 March 2024 (Audited) HK\$ million	
Net asset value	8,198	8,119	+1.0%
Net asset value per share (HK\$)	0.58	0.53	+9.4%
Gearing ratio	52.4%	62.9%	-10.5pp

* For identification purpose only

INTERIM RESULTS

The board of directors (the “**Board**” or the “**Director(s)**”) of Wang On Group Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2024 as follows. This interim condensed consolidated financial information was not audited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 September 2024

		Six months ended 30 September	
	Notes	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
REVENUE			
Revenue from contracts with customers	4	1,029,274	917,906
Interest income from treasury operation	4	8,684	32,171
Revenue from other sources	4	192,086	186,042
Total revenue		1,230,044	1,136,119
Cost of sales		(802,140)	(701,427)
Gross profit		427,904	434,692
Other income and gains, net	4	78,901	94,152
Selling and distribution expenses		(232,124)	(197,343)
Administrative expenses		(254,738)	(253,419)
Reversal of impairment/(impairment losses) on financial assets, net		733	(12,266)
Other expenses, net	6	(6,553)	(54,250)
Finance costs	5	(172,814)	(173,426)
Fair value losses on financial assets and liabilities at fair value through profit or loss, net		(22,190)	(10,606)
Fair value gains on owned investment properties, net		3,155	1,921
Write-down of properties under development		(7,302)	—
Share of profits/(losses) of:			
Joint ventures		302,472	377,692
Associates		(371)	1,263
PROFIT BEFORE TAX	6	117,073	208,410
Income tax credit/(expense)	7	14,754	(18,696)
PROFIT FOR THE PERIOD		131,827	189,714

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	890	(87,379)
Reclassification adjustments for losses/(gains) included in profit or loss		
— Impairment losses/(reversal of impairment losses), net	(2,402)	11,598
— Gain on disposal/redemption, net	(343)	(12)
	<u>(1,855)</u>	<u>(75,793)</u>
Exchange differences on translation of foreign operations	<u>(11,676)</u>	<u>(187,662)</u>
Release of exchange fluctuation reserve upon disposal of subsidiaries during the period	<u>12,940</u>	<u>—</u>
Other reserves:		
Share of other comprehensive income/(loss) of joint ventures	<u>4,429</u>	<u>(6,088)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>3,838</u>	<u>(269,543)</u>
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments at fair value through other comprehensive income:		
Changes in fair value, net	<u>(24,027)</u>	<u>8,301</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>(24,027)</u>	<u>8,301</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	<u>(20,189)</u>	<u>(261,242)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>111,638</u>	<u>(71,528)</u>

	Six months ended	
	30 September	
	2024	2023
<i>Note</i>	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit attributable to:		
Owners of the parent	85,771	110,968
Non-controlling interests	46,056	78,746
	<u>131,827</u>	<u>189,714</u>
Total comprehensive profit/(loss) attributable to:		
Owners of the parent	65,257	(9,256)
Non-controlling interests	46,381	(62,272)
	<u>111,638</u>	<u>(71,528)</u>
EARNINGS PER SHARE		
ATTRIBUTABLE TO ORDINARY		
EQUITY HOLDERS OF THE PARENT		
Basic and diluted	8	HK0.61 cent
		<u>HK0.81 cent</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2024

	30 September 2024	31 March 2024
	Notes (Unaudited) HK\$'000	(Audited) HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	881,381	903,720
Investment properties	3,244,576	3,485,295
Club memberships	32,780	32,780
Properties under development	210,102	243,600
Interests in joint ventures	4,397,076	3,952,370
Interests in associates	25,610	23,409
Financial assets at fair value through other comprehensive income	44,577	102,385
Financial assets at fair value through profit or loss	173,663	179,971
Loans and interest receivables	10 8,331	29,329
Prepayments, other receivables and other assets	70,645	74,680
Deferred tax assets	30,978	32,714
	<u>9,119,719</u>	<u>9,060,253</u>
CURRENT ASSETS		
Properties under development	1,039,860	2,032,755
Properties held for sale	3,586,221	2,934,388
Inventories	275,542	308,208
Trade receivables	11 117,761	108,798
Loans and interest receivables	10 235,165	244,060
Prepayments, other receivables and other assets	624,659	556,756
Cost of obtaining contracts	11,506	21,673
Financial assets at fair value through other comprehensive income	10,947	17,253
Financial assets at fair value through profit or loss	52,821	72,930
Tax recoverable	7,817	7,821
Pledged deposits	4,000	44,055
Restricted bank balances	5,699	5,699
Cash and bank balances	1,008,715	1,193,104
	<u>6,980,713</u>	<u>7,547,500</u>
Assets classified as held for sale and assets of a disposal group	31,600	974,892
	<u>7,012,313</u>	<u>8,522,392</u>
Total current assets	<u>7,012,313</u>	<u>8,522,392</u>

		30 September 2024	31 March 2024
	<i>Note</i>	(Unaudited) HK\$'000	(Audited) HK\$'000
CURRENT LIABILITIES			
Trade and bills payables	12	78,951	191,149
Other payables and accruals		923,562	948,384
Contract liabilities		254,841	242,534
Interest-bearing bank and other borrowings		3,541,646	4,153,787
Financial liabilities at fair value through profit or loss		2,485	—
Tax payable		135,402	134,708
		<u>4,936,887</u>	<u>5,670,562</u>
Liabilities of a disposal group		—	322,936
Total current liabilities		<u>4,936,887</u>	<u>5,993,498</u>
NET CURRENT ASSETS		<u>2,075,426</u>	<u>2,528,894</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,195,145</u>	<u>11,589,147</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		1,769,202	2,193,136
Other payables		679,174	699,318
Financial liabilities at fair value through profit or loss		9,819	606
Deferred tax liabilities		539,346	577,077
Total non-current liabilities		<u>2,997,541</u>	<u>3,470,137</u>
Net assets		<u>8,197,604</u>	<u>8,119,010</u>
EQUITY			
Equity attributable to owners of the parent			
Issued capital		141,667	153,538
Treasury shares		—	(64,095)
Reserves		5,217,772	5,176,861
		<u>5,359,439</u>	<u>5,266,304</u>
Non-controlling interests		<u>2,838,165</u>	<u>2,852,706</u>
Total equity		<u>8,197,604</u>	<u>8,119,010</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2024

1. BASIS OF PREPARATION

Wang On Group Limited (the “**Company**”) is a limited liability company incorporated in Bermuda, and is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are described in note 3 to the unaudited interim condensed consolidated financial information.

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2024.

The accounting policies and the basis of preparation adopted in the preparation of this unaudited interim condensed consolidated financial information are consistent with those adopted in the Group’s audited consolidated financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as further explained in note 2 below.

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss which have been measured at fair value. This unaudited interim condensed consolidated financial information is presented in Hong Kong dollar (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial information:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development and trading segment engages in the development and trading of properties;
- (b) the property investment segment engages in investment in commercial premises and residential units for rental or for sale;
- (c) the fresh markets segment engages in the management and sub-licensing of fresh markets and butchery business which also includes management of agricultural produce exchange markets in Chinese Mainland;
- (d) the pharmaceutical segment engages in production and sale of pharmaceutical and health food products; and
- (e) the treasury management segment engages in provision of finance, investments in debt and other securities which earns interest income and managing assets on behalf of the Group's capital partners via investment vehicles.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, finance costs, fair value losses from the Group's financial assets and liabilities at fair value through profit or loss, head office and corporate income and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding these reportable segments, together with their related revised comparative information is presented below.

Reportable segment information

Six months ended 30 September

	Property development and trading		Property investment		Fresh markets		Pharmaceutical		Treasury management		Elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue (note 4):														
Sales to external customers	529,585	375,110	3,367	2,482	330,586	332,707	344,118	365,861	22,388	59,959	—	—	1,230,044	1,136,119
Intersegment sales	—	—	3,861	8,202	—	—	1,278	2,068	—	—	(5,139)	(10,270)	—	—
Other income	19,907	14,026	67	36,304	45,079	30,765	1,868	2,543	—	110	—	—	66,921	83,748
Total segment revenue	<u>549,492</u>	<u>389,136</u>	<u>7,295</u>	<u>46,988</u>	<u>375,665</u>	<u>363,472</u>	<u>347,264</u>	<u>370,472</u>	<u>22,388</u>	<u>60,069</u>	<u>(5,139)</u>	<u>(10,270)</u>	<u>1,296,965</u>	<u>1,219,867</u>
Segment results	<u>57,164</u>	<u>10,105</u>	<u>220,369</u>	<u>365,949</u>	<u>83,988</u>	<u>57,721</u>	<u>(76)</u>	<u>30,551</u>	<u>(3,146)</u>	<u>(18,242)</u>			<u>358,299</u>	<u>446,084</u>
<i>Reconciliation:</i>														
Bank interest income													6,305	9,217
Finance costs													(172,814)	(173,426)
Fair value losses on financial assets and liabilities at fair value through profit or loss, net													(22,190)	(10,606)
Corporate and unallocated income and expenses, net													(52,527)	(62,859)
Profit before tax													117,073	208,410
Income tax credit/(expense)													14,754	(18,696)
Profit for the period													<u>131,827</u>	<u>189,714</u>

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
<i>Revenue from contracts with customers</i>		
Sale of properties	529,585	375,110
Sale of goods	400,552	426,723
Commission income from agricultural produce exchange markets	42,253	45,136
Agricultural produce exchange markets ancillary services	43,903	44,752
Asset management fees	12,981	26,185
	<u>1,029,274</u>	<u>917,906</u>
<i>Interest income</i>		
Interest income from treasury operation	<u>8,684</u>	<u>32,171</u>
<i>Revenue from other sources</i>		
Sub-licensing fee income	87,558	93,537
Gross rental income from investment properties operating leases	103,805	90,902
Dividend income from financial assets	723	2,250
Loss on disposal of financial assets at fair value through profit or loss	<u>—</u>	<u>(647)</u>
	<u>192,086</u>	<u>186,042</u>
Total revenue	<u><u>1,230,044</u></u>	<u><u>1,136,119</u></u>

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 September 2024

Segments	Property development and trading (Unaudited) HK\$'000	Pharmaceutical (Unaudited) HK\$'000	Fresh Markets (Unaudited) HK\$'000	Treasury Management (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Types of goods or services					
— Sales of properties	529,585	—	—	—	529,585
— Sales of goods	—	344,118	56,434	—	400,552
— Commission income from agricultural produce exchange markets	—	—	42,253	—	42,253
— Agricultural produce exchange markets ancillary services	—	—	43,903	—	43,903
— Asset management fees	—	—	—	12,981	12,981
Total	529,585	344,118	142,590*	12,981	1,029,274
Timing of revenue recognition					
Goods/services transferred at a point in time	529,585	337,667	56,434	—	923,686
Services transferred over time	—	6,451	86,156	12,981	105,588
Total	529,585	344,118	142,590*	12,981	1,029,274

For the six months ended 30 September 2023

Segments	Property development and trading (Unaudited) HK\$'000	Pharmaceutical (Unaudited) HK\$'000	Fresh Markets (Unaudited) HK\$'000	Treasury Management (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Types of goods or services					
— Sales of properties	375,110	—	—	—	375,110
— Sales of goods	—	365,861	60,862	—	426,723
— Commission income from agricultural produce exchange markets	—	—	45,136	—	45,136
— Agricultural produce exchange markets ancillary services	—	—	44,752	—	44,752
— Asset management fees	—	—	—	26,185	26,185
Total	375,110	365,861	150,750*	26,185	917,906
Timing of revenue recognition					
Goods/services transferred at a point in time	375,110	358,960	60,862	20,000	814,932
Services transferred over time	—	6,901	89,888	6,185	102,974
Total	375,110	365,861	150,750*	26,185	917,906

* Sub-licensing fee income and gross rental income from investment property operating leases of HK\$87,558,000 (six months ended 30 September 2023: HK\$93,537,000) and HK\$100,438,000 (six months ended 30 September 2023: HK\$88,420,000), respectively that were attributable to the fresh markets segment of the Group were not included in the above disclosure.

An analysis of the Group's other income and gains, net is as follows:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Other income		
Bank interest income	6,305	9,217
Property management fee income	6,524	6,158
Forfeiture of deposits from customers	7,635	4,992
Government subsidies*	4,298	1,180
Others	18,002	49,950
	<u>42,764</u>	<u>71,497</u>
Gains, net		
Gain on disposal of subsidiaries	35,794	—
Gain on early redemption of unsecured notes	—	7,903
Gain on modification/termination of lease contracts	—	1,410
Gain on disposal of items of property, plant and equipment, net	—	13,330
Gain on disposal/redemption of financial assets at fair value through other comprehensive income, net	343	12
	<u>36,137</u>	<u>22,655</u>
Total other income and gains, net	<u>78,901</u>	<u>94,152</u>

* Government subsidies during the six months ended 30 September 2024 represented (i) The People's Republic of China (the "PRC") government subsidies of HK\$3,857,000 (six months ended 30 September 2023: HK\$1,180,000) granted to the Group by the local governmental authority in Chinese Mainland and (ii) the one-off subsidies of HK\$441,000 granted by The Government of the Hong Kong Special Administrative Region ("HKSAR").

PRC government grants represent various form of subsidies granted to the Group by the local governmental authorities in the PRC for the operations support purpose on the Group's agricultural produce exchange markets in the Chinese Mainland, which are awarded to enterprises on a discretionary basis. There are no unfulfilled conditions or contingencies relating to these grants.

The Group has complied with all attached conditions of the subsidies granted by government authorities in Chinese Mainland and HKSAR before the six months ended 30 September 2024 and 2023 and recognised these grants in profit or loss as "Other income and gains, net" in the respective accounting periods.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank loans and other borrowings	224,313	204,245
Interest on lease liabilities	22,503	25,153
Interest on unsecured notes	—	5,552
	<hr/>	<hr/>
Subtotal	246,816	234,950
Less: interest capitalised	(74,002)	(61,524)
	<hr/>	<hr/>
Total	<u>172,814</u>	<u>173,426</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of services provided**	78,987	100,067
Cost of properties sold**	433,485	302,892
Cost of inventories recognised as an expense** (including allowance for obsolete inventories of HK\$1,051,000 (six months ended 30 September 2023: HK\$1,293,000))	198,112	218,026
Depreciation of owned assets	27,094	28,859
Depreciation of right-of-use assets	40,232	40,343
Loss/(gain) on disposal of items of property, plant and equipment, net	3,355*	(13,330)***
Loss on disposal of investment properties*	3,198	—
Loss/(gain) on disposal of subsidiaries	(35,794)***	2,665*
Fair value losses on sub-leased investment properties**	91,482	80,214
Impairment losses/(reversal of impairment losses) on items of property, plant and equipment, net	(2,124)***	48,809*
Gain on disposal/redemption of financial assets at fair value through other comprehensive income, net***	(343)	(12)
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Debt investments at fair value through other comprehensive income, net	(2,402)	11,598
Financial assets included in prepayments, other receivables and other assets	362	—
Trade receivables, net	1,154	570
Loans and interest receivables, net	153	98
	<u>(733)</u>	<u>12,266</u>
Foreign exchange difference, net	(750)***	2,776*
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties**	74	228

* These items are included in “Other expenses, net” in the condensed consolidated statement of profit or loss and other comprehensive income.

** These items are included in “Cost of sales” in the condensed consolidated statement of profit or loss and other comprehensive income.

*** These items are included in “Other income and gains, net” in the condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates. The provision for PRC land appreciation tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at a fixed rate or ranges of progressive rates of the appreciation value, with certain allowable deductions.

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current — Hong Kong		
Charge for the period	205	7,912
Current — Other jurisdiction		
Charge for the period	11,947	9,551
LAT	11,052	9,436
Overprovision in prior periods	(2,661)	—
Deferred tax	(35,297)	(8,203)
	<hr/>	<hr/>
Total	(14,754)	18,696
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8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the period is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period less treasury shares held by the Group during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 September 2024 and 2023 in respect of a dilution as the impact of the share options issued by China Agri-Products Exchange Limited (“CAP”) had no dilutive effect on the basic earnings per share amount presented.

The calculations of the basic and diluted earnings per share are based on:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>85,771</u>	<u>110,968</u>
	Number of shares	
	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	'000	'000
Shares		
Weighted average number of ordinary shares in issue	14,349,331	15,355,711
Less: weighted average number of treasury shares	<u>(182,801)</u>	<u>(1,716,749)</u>
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	<u>14,166,530</u>	<u>13,638,962</u>

9. DIVIDENDS

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
2024 final dividend declared and paid — Nil (2023: HK0.04 cent) per ordinary share	—	6,142
Less: final dividend related to treasury shares attributable to the owners of the parent	—	(475)
Less: final dividend related to treasury shares attributable to the non-controlling shareholders	—	<u>(213)</u>
	<u>—</u>	<u>5,454</u>

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

10. LOANS AND INTEREST RECEIVABLES

	30 September 2024	31 March 2024
<i>Notes</i>	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Loans and interest receivables, secured	<i>(i)</i> 243,315	273,300
Loans and interest receivables, unsecured	<i>(ii)</i> 79,206	79,013
Subtotal	322,521	352,313
Less: impairment allowance	<i>(iii)</i> (79,025)	(78,924)
Total	243,496	273,389
Less: loans and interest receivables classified as non-current assets	(8,331)	(29,329)
Portion classified as current assets	235,165	244,060

Notes:

- (i) These loans receivable are stated at amortised cost at effective interest rates ranging from 1% to 22% (31 March 2024: 5% to 22%) per annum. The credit terms of these loans receivable range from 3 months to 10 years (31 March 2024: 3 months to 10 years). The carrying amounts of these loans receivable approximate to their fair values.
- (ii) These loans receivable are stated at amortised cost at effective interest rates ranging from 1% to 33% (31 March 2024: 1% to 33%) per annum. The credit terms of these loans receivable range from 3 months to 6 years (31 March 2024: 2 months to 3 years). The carrying amounts of these loans receivable approximate to their fair values.
- (iii) As at 30 September 2024, loans and interest receivables of HK\$106,996,000 (31 March 2024: HK\$120,170,000) were within its credit period and all these balances were categorised within Stage 1 for the measurement of expected credit losses (“ECL”).

As at 30 September 2024, loans and interest receivables of HK\$37,630,000 (31 March 2024: HK\$37,418,000) and HK\$177,895,000 (31 March 2024: HK\$194,725,000) were overdue and these balances were categorised under Stage 2 and Stage 3 for the assessment of ECL, respectively.

11. TRADE RECEIVABLES

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Trade receivables	139,872	129,798
Impairment	(22,111)	(21,000)
Net carrying amount	<u>117,761</u>	<u>108,798</u>

The Group's trading terms with its customers are mainly on credit. The credit period ranges from 7 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of HK\$1,330,000 (31 March 2024: HK\$2,336,000), with credit periods ranging from 10 to 90 days.

Included in the Group's trade receivables are amounts due from the Group's associates of HK\$7,979,000 (31 March 2024: HK\$5,341,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Within 1 month	64,322	63,325
1-3 months	20,603	15,197
Over 3 months but within 6 months	21,129	15,391
Over 6 months	<u>11,707</u>	<u>14,885</u>
Total	<u>117,761</u>	<u>108,798</u>

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Within 1 month	31,574	143,578
1-3 months	6,303	4,339
Over 3 months but within 6 months	2,803	1,578
Over 6 months	38,271	41,654
Total	<u>78,951</u>	<u>191,149</u>

The trade and bills payables are non-interest-bearing and have an average term of 30 to 360 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

INTERIM DIVIDEND

The board of directors (the “**Board**” or the “**Director(s)**”) of Wang On Group Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) does not recommend the payment of any interim dividend in respect of the six months ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 September 2024 (the “**Period**”), the Group’s revenue and profit attributable to owners of the parent amounted to approximately HK\$1,230.0 million (for the six months ended 30 September 2023: approximately HK\$1,136.1 million) and approximately HK\$85.8 million (for the six months ended 30 September 2023: approximately HK\$111.0 million), respectively.

BUSINESS REVIEW

The Group’s revenue for the Period increased by approximately 8.3% to approximately HK\$1,230.0 million (for the six months ended 30 September 2023: approximately HK\$1,136.1 million). The increase in revenue was mainly due to the increase in sales of properties.

Profit attributable to owners of the parent for the Period was approximately HK\$85.8 million as compared to the profit attributable to owners of the parent for the six months ended 30 September 2023 of approximately HK\$111.0 million. This was primarily attributable to, among other things, (i) decrease in share of profits of joint ventures, (ii) decrease in gain on disposal of items of property, plant and equipment, (iii) increase in selling and distribution expenses, and (iv) decrease in interest income from treasury operation, as partially offset by (a) decrease in impairment losses on items of property, plant and equipment and (b) increase in tax credit recognised during the Period, as compared to those for the corresponding period in 2023.

The Group recorded gross profit and gross profit margin of approximately HK\$427.9 million and 34.8%, respectively for the Period (for the six months ended 30 September 2023: approximately HK\$434.7 million and 38.3%, respectively). The decline in gross profit was mainly due to lower gross profit margin on property projects delivered during the Period.

Other income and gains, net amounted to approximately HK\$78.9 million (for the six months ended 30 September 2023: approximately HK\$94.2 million). The decrease was mainly due to reduction in gain on disposal of items of property, plant and equipment which was partially offset by gain on disposal of subsidiaries.

Selling and distribution expenses were approximately HK\$232.1 million for the Period (for the six months ended 30 September 2023: approximately HK\$197.3 million). The increase was mainly due to commission expenses incurred in connection with the delivery of residential units to customers, and the increase in advertising and promotion expenses for boosting up the sales.

The Group recorded administrative expenses of approximately HK\$254.7 million for the Period (for the six months ended 30 September 2023: approximately HK\$253.4 million). Finance costs were approximately HK\$172.8 million for the Period (for the six months ended 30 September 2023: approximately HK\$173.4 million). These expenses remained stable and in control as compared to the corresponding period in 2023.

Reversal of impairment losses on financial assets, net amounted to approximately HK\$0.7 million for the Period (for the six months ended 30 September 2023: impairment losses of approximately HK\$12.3 million). The change was mainly due to the decrease in impairment losses on debt investments at fair value through other comprehensive income as compared with the same period in 2023.

Other expenses, net amounted to approximately HK\$6.6 million for the Period (for the six months ended 30 September 2023: approximately HK\$54.3 million). The decrease was mainly attributable to the decrease in impairment losses on items of property, plant and equipment.

During the Period, write-down of properties under development amounted to approximately HK\$7.3 million was charged to profit or loss (for the six months ended 30 September 2023: Nil). The write-down for the Period was mainly related to a property under development located in Hong Kong.

For the Period, fair value losses on financial assets and liabilities at fair value through profit or loss, net were approximately HK\$22.2 million (for the six months ended 30 September 2023: approximately HK\$10.6 million). The increase was primarily because of the increase in fair value losses on funds investment for the Period.

The share of profits of joint ventures for the Period amounted to approximately HK\$302.5 million (for the six months ended 30 September 2023: approximately HK\$377.7 million). The decrease was mainly due to the decrease in profits contributed by the commercial portfolio held by the joint ventures.

Income tax of the Group comprised of Hong Kong profits tax, PRC enterprise income tax and PRC land appreciation tax. During the Period, there was an income tax credit of approximately HK\$14.8 million as compared with an income tax expense amounted to approximately HK\$18.7 million for the six months ended 30 September 2023.

As of 30 September 2024, the Group's net assets were approximately HK\$8,197.6 million (31 March 2024: approximately HK\$8,119.0 million). Its cash resources amounted to approximately HK\$1,082.2 million (31 March 2024: approximately HK\$1,333.1 million) including cash and bank balances of approximately HK\$1,018.4 million (31 March 2024: approximately HK\$1,242.9 million) and short-term investments of approximately HK\$63.8 million (31 March 2024: approximately HK\$90.2 million). In aggregate, the total borrowings as of 30 September 2024 were approximately HK\$5,310.8 million (31 March 2024: approximately HK\$6,346.9 million) giving the Group a net debt position (total borrowings less cash and bank balances) of approximately HK\$4,292.4 million (31 March 2024: approximately HK\$5,104.0 million).

The Group regularly reviews its financial position and maintains a healthy cash balance to support the business development growth. The review of the individual business segments of the Group is set out below.

Property Development and Trading

The property development and trading segment consists of the Hong Kong residential and commercial property market sales from Wang On Properties Limited ("**WOP**", a 75%-owned listed subsidiary of the Company and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 1243, together with its subsidiaries, collectively the "**WOP Group**"; and the property sales in the People's Republic of China (the "**PRC**") from China Agri-Products Exchange Limited ("**CAP**", an approximate 57.09%-owned listed subsidiary of the Company and the shares of which are listed on the Stock Exchange with stock code: 149, together with its subsidiaries, collectively, the "**CAP Group**").

During the Period, the property development and trading segment recorded revenue (sales to external customers) and segment profit of approximately HK\$529.6 million and approximately HK\$57.2 million, respectively (for the six months ended 30 September 2023: approximately HK\$375.1 million and approximately HK\$10.1 million, respectively). Revenue contributed by the WOP Group from the property development and trading sector amounted to approximately HK\$427.9 million was mainly due to the delivery of a residential project, "Larchwood", during the Period (for the six months ended 30 September 2023: approximately HK\$258.4 million).

During the Period, the WOP Group had a joint venture partnership with a reputable property developer, Chevalier International Holdings Limited (the "**JV with Chevalier**"), to acquire the site located at Nos. 18-20 Sze Shan Street, Yau Tong (the "**Sze Shan Street Project**"). In July 2024, the WOP Group disposed of its entire equity interest in the Sze Shan Street Project to the JV with Chevalier which is a 50%-owned joint venture of the Group. Further details of the disposal were set out in the joint announcement of the Company and WOP dated 28 March 2024 and the circulars of the Company and WOP dated 21 June 2024, respectively. As at the date of this announcement, the WOP Group owned 50% interests in the Sze Shan Street Project through the JV with Chevalier.

During the six months ended 30 September 2024, the Group's property development and trading business in the PRC (through the CAP Group) recorded revenue of approximately HK\$101.7 million (for the six months ended 30 September 2023: approximately HK\$116.7 million). The slight decrease in revenue contributed from the CAP Group was mainly due to the delivery of lower volume of property sales during the Period compared to the corresponding period in 2023.

On 25 May 2024, Grandwick Limited as the vendor (an indirect wholly-owned subsidiary of CAP), Huai'an Qingjiangpu Rongfeng Agricultural Development Co., Ltd.* as the purchaser, Huai'an Hongjin Agricultural By-Products Logistics Co., Ltd.* (an indirect wholly-owned subsidiary of CAP) as the target company and Huai'an Hongjin Qingjiang Agricultural and By-Products Wholesale Market Co., Ltd.* (a direct non-wholly owned subsidiary of the target company) entered into a sale and purchase agreement for the sale and purchase of the 100% equity interests in the target company holding certain property interests in the agricultural produce exchange markets in Huai'an city in the Jiangsu Province for an initial consideration of approximately RMB28.9 million (equivalent to approximately HK\$31.9 million), subject to adjustments. The consideration should be adjusted subject to a maximum adjusted total consideration of approximately RMB71.7 million. After such adjustment, the final consideration was approximately RMB66.4 million, the Group and CAP recorded a gain on the disposal of approximately HK\$35.8 million respectively. As part of the transactions under the sale and purchase agreement, the purchaser is also required to fund the target company's repayment of the loans amounting to approximately RMB140.5 million (equivalent to approximately HK\$154.9 million) to certain subsidiaries of CAP. For details, please refer to the joint announcement of the Company and CAP dated 25 May 2024 and the circular of the Company dated 17 June 2024. The transaction was completed on 5 September 2024.

As at the date of this announcement, the WOP Group's development land portfolio is as follows:

Location	Approximate site area <i>(square feet)</i>	Approximate gross floor area <i>(square feet)</i>	Intended usage	Anticipated year of completion
Pokfulam Project	28,500	28,500	Residential	Completed
Tai Kok Tsui Project	6,800	61,500	Residential and Commercial	Completed
Ap Lei Chau Project I [#]	7,200	74,200	Residential and Commercial	2026
Ap Lei Chau Project II [#]	4,100	38,600	Residential and Commercial	2025

Location	Approximate site area (square feet)	Approximate gross floor area (square feet)	Intended usage	Anticipated year of completion
Wong Tai Sin Project I [#]	9,600	81,200	Residential and Commercial	2025
Wong Tai Sin Project II [#]	10,400	93,700	Residential and Commercial	2026
Ngau Tau Kok Project [#]	5,200	46,300	Residential and Commercial	2026
Fortress Hill Project [#]	12,400	130,000	Residential and Commercial	2026
Quarry Bay Project	4,200	39,100	Residential and Commercial	2026
Ap Lei Chau Project III	6,600	68,100	Residential and Commercial	2027
Yau Tong Project [#]	41,700	292,000	Residential and Commercial	2028
Total	<u>136,700</u>	<u>953,200</u>		

[#] The WOP Group has been engaged as the asset manager of the projects.

The WOP Group is always exploring various channels to increase its land banks. This includes participating in public tenders and acquiring old buildings. The WOP Group aims to establish a strong foundation and ensure a stable supply of land resources for future development projects.

Fresh Markets and Agricultural Produce Exchange Markets

The fresh market and agricultural produce exchange market business segment recorded a slight decrease in revenue (sales to external customers) by approximately 0.6% to approximately HK\$330.6 million for the six months ended 30 September 2024 (for the six months ended 30 September 2023: approximately HK\$332.7 million), of which revenue of approximately HK\$201.4 million (for the six months ended 30 September 2023: approximately HK\$193.8 million) was contributed from the operation of agricultural produce exchange markets of the CAP Group in the PRC and approximately HK\$129.2 million (for the six months ended 30 September 2023: approximately HK\$138.9 million) was contributed from the fresh market operation in Hong Kong, including approximately HK\$56.4 million (for the six months ended 30 September 2023: approximately HK\$60.9 million) from revenue streams brought by butchery, vegetable and other retail operations in Hong Kong.

Over the past two decades, the Group has established a significant presence in the fresh market and agricultural produce exchange market business. During the Period, the Group has managed approximately 450 stalls under the “Allmart” and “Day Day Fresh” brands in Hong Kong, covering a total gross floor area of over 138,000 square feet. The Group is committed to meeting customer expectations by creating comfortable and spacious shopping environments, incorporating well-designed layouts, undertaking improvement works, and providing high-quality management services. By continually enhancing the shopping experience, the Group aims to strengthen its partnerships with tenants and local communities, fostering customer satisfaction and building lasting relationships within the community.

For the Period, the butchery business generated revenue of approximately HK\$40.5 million (for the six months ended 30 September 2023: approximately HK\$35.1 million). The revenue remained stable. The Group believes that the demand for pork in local diets, combined with the Group’s well established fresh market network, allowing for relatively low-risk growth in this business. As at 30 September 2024, 17 butchery stores were in operation.

Through the CAP Group, the Group operates 10 agricultural produce exchange markets across five provinces in the PRC: Hubei, Henan, Guangxi Zhuang Autonomous Region, Jiangsu, and Liaoning. The CAP Group’s strong presence in this industry provides a solid foundation for future development and expansion, enabling the Group to sustain growth, leverage economies of scale, and capitalise on opportunities from diverse customer base.

Property Investment

As at 30 September 2024, the Group owned investment properties in Hong Kong and the PRC comprised of commercial and residential units with a total carrying value of approximately HK\$3,276.2 million (31 March 2024: approximately HK\$3,561.9 million).

During the Period, the Group received gross rental income (sales to external customers) of approximately HK\$3.4 million (for the six months ended 30 September 2023: approximately HK\$2.5 million).

The Group’s portfolio of investment properties comprised of two wholly-owned commercial properties and five projects in partnership with global private equity funds, including Kohlberg Kravis Roberts & Co. L.P. and Angelo, Gordon & Co., L.P. (“AG”), and individual investors with holding stakes ranging from 35% to 64%. As at the date of this announcement, the overall occupancy rate of the Group’s investment properties was approximately 88%, which includes Sunny House Kai Tak, which has commenced operation in the third quarter of 2024.

During the Period, the WOP Group entered into the sale and purchase agreements with several independent investors to dispose of six shops on the ground floor of Parkville, for an aggregate consideration of approximately HK\$113.1 million. A loss of approximately HK\$17.8 million has been recognised from these disposals through “Share of profits and losses of joint ventures”.

The WOP Group has been engaged as the asset manager for the projects of The Parkside, Lake Silver, Parkville, Jumbo Court and Sunny House Kai Tak.

As at 30 September 2024, Wai Yuen Tong Medicine Holdings Limited (“WYT”, an approximate 72.02%-owned listed subsidiary of the Company and the shares of which are listed on the Stock Exchange with stock code: 897, together with its subsidiaries, collectively, the “WYT Group”) owned 5 properties in Hong Kong which were all retail properties. A majority of these properties were used as the retail shops under self-operating and franchise modes.

On 3 May 2024, a subsidiary of WYT as vendor entered into a provisional agreement with an independent third party purchaser for the disposal of the retail shop situated at Shop B on Ground Floor, Kwong Sen Mansion, Nos. 23-33 Shui Wo Street, Kowloon, Hong Kong for a consideration of HK\$33.0 million. The disposal was completed on 16 August 2024. For details, please refer to the joint announcement of the Company and WYT dated 3 May 2024.

As at 30 September 2024, the Group still held six secondhand residential properties with valuation of approximately HK\$31.6 million. The Group will continue to identify suitable opportunities to dispose of these secondhand residential properties.

Pharmaceutical and Health Food Products Business

The WYT Group is a pharmaceutical group focusing on manufacturing and retailing of pharmaceutical and health food products. During the Period, the WYT Group’s pharmaceutical and health food products segment with revenue (sales to external customers) was approximately HK\$344.1 million (for the six months ended 30 September 2023: approximately HK\$365.9 million), representing a decrease of approximately 6.0%.

Chinese Pharmaceutical and Health Food Products

Revenue of the Chinese pharmaceutical and health food products segment has decreased by approximately 7.3% to approximately HK\$305.6 million (for the six months ended 30 September 2023: approximately HK\$329.5 million).

In response to the turbulent market, the WYT Group is expanding its cross-border e-commerce channels to leverage the growing market in Mainland China. By launching new “Wai Yuen Tong” products on platforms like “Douyin” and “XiaoHongShu”, and collaborating with prominent celebrities and key opinion leaders, the WYT Group has significantly boosted brand awareness and visibility. These efforts have engaged younger consumers, resulting in a more than twofold increase in cross-border e-commerce sales compared to the corresponding period in 2023.

The WYT Group is also committed to research and development, and the close collaboration between R&D teams in Hong Kong and Mainland China to meet consumer needs. During the spring season of 2024, the WYT Group introduced Wai Yuen Tong Body Dampness “位元堂祛濕清” to promote diuresis and alleviate puffiness. With flu season approaching, they launched Premium Ganoderma Eight Plus “百草靈芝皇” to boost immunity. More new products are currently under development and will be introduced soon.

Wai Yuen Tong, a leader in Hong Kong’s traditional Chinese medicine industry, is committed to promoting this invaluable heritage. In partnership with Guangzhou University of Chinese Medicine, the “Guangdong-Hong Kong Traditional Chinese Medicine International Cooperation Base” was established. This collaboration focuses on training, medical services, technological innovation, and cultural promotion. In October 2024, a major conference was held, where experts discussed treatments for female diseases, tuberculosis, gout, femoral head necrosis and depression, marking a significant step in advancing traditional Chinese medicine globally.

Western Pharmaceutical and Health Food Products

Revenue of the western pharmaceutical and health food products segment has increased by approximately 5.8% to approximately HK\$38.5 million (for the six months ended 30 September 2023: approximately HK\$36.4 million). During the Period, a small-scale influenza outbreak before summer boosted sales of Madame Pearl’s cough syrup, leading to significant revenue growth for Luxembourg’s pharmaceutical and health food products business as compared to the same period in 2023.

In response to a turbulent market, the WYT Group pursued various business opportunities. Madame Pearl’s, the flagship brand, maintained its position as Hong Kong’s top-selling cough syrup for 14 consecutive years due to strategic sales and marketing efforts. The WYT Group made significant progress in marketing campaigns and expanding distribution channels for Luxembourg products. In Mainland China, local distributors were engaged to enhance the presence of “Madame Pearl’s” in medical channels and “Pearl’s” in consumer channels.

Pearl’s, another key brand, maintained its leadership in Hong Kong’s mosquito repellent market. Despite lower government indices affecting sales, the introduction of a Pokemon-themed Pearl’s mosquito product helped sustain sales. Continued efforts in developing the e-commerce channel, particularly cross-border, resulted in a significant growth for Madame Pearl’s cough syrup and Pearl’s mosquito products.

Treasury Management

The Group maintained a healthy financial position. Liquid investments and cash and bank balances amounted to approximately HK\$1,288.1 million as at 30 September 2024, representing a decrease of approximately 20.2% from the balance of approximately HK\$1,614.8 million as at 31 March 2024. As at 30 September 2024, approximately 4.6%, 16.0% and 79.4% of the liquid investments of approximately HK\$269.7 million were debt securities, equity securities, funds and other investments, respectively, and approximately HK\$1,018.4 million were the cash and bank balances.

Money Lending Business

The Group engages in providing lending services to third-parties. These loans are secured by various types of collateral, including first-mortgage residential properties, commercial properties, industrial properties and etc., all located in Hong Kong.

The Group has adopted a more prudent and cautious approach in assessing potential loan applications, particularly considering the uncertain economic outlook. To evaluate and approve loans, the Group has a credit committee in place. This committee is responsible for evaluating and approving loans within predetermined credit limits.

The Group has established credit control policies to govern the loan review and approval processes. These policies focus on verifying the borrowers' identity, repayment ability, and the quality of the asset that are used as collateral, to mitigate credit risks associated with the lending operations. Overall, the Group aims to effectively manage its credit risks, in order to ensure the long-term stability and sustainability of its money lending business.

During the Period, the Group's lending business contributed revenue of approximately HK\$8.4 million (for the six months ended 30 September 2023: approximately HK\$16.3 million), down by approximately 48.5%, mainly due to the drop in loan portfolio. The borrowers of the Group's lending business included individuals and private companies in Hong Kong from different industries such as property investment, logistics, retail businesses and etc. As at 30 September 2024, we had 33 (31 March 2024: 37) active loan accounts of which 21 unlisted corporate borrowers and 12 individual borrowers, gross loan balances of which were approximately HK\$210.0 million (31 March 2024: approximately HK\$237.1 million). Secured loans accounted for approximately 75.9% (31 March 2024: approximately 79.2%) while unsecured loans accounted for approximately 24.1% (31 March 2024: approximately 20.8%). Loans to corporate borrowers accounted for approximately 56.3% (31 March 2024: approximately 58.3%) while loans to individuals accounted for approximately 43.7% (31 March 2024: approximately 41.7%). As at 30 September 2024, in terms of the loan balances, the top 5 customers of the money lending business accounted for approximately 66.6% (31 March 2024: approximately 60.3%) of the loan portfolio. The tenors of the loans ranged from 3 months to 120 months (31 March 2024: 2 months to 120 months).

The ageing analysis of loan receivables (before allowance for credit losses) based on initial loan commencement date as set out in the relevant contracts is as follows:

	As at 30 September 2024 <i>HK\$'000</i>
Within 12 months	200,280
More than 12 months to 60 months	3,500
More than 60 months to 120 months	<u>6,258</u>
Total	<u><u>210,038</u></u>

The weighted-average interest rates of secured loans were approximately 13.8% (31 March 2024: approximately 13.3%) per annum and that for unsecured loans were approximately 12.9% (31 March 2024: approximately 13.2%) per annum. As at 30 September 2024, the loan-to-value-ratio of the secured loans was approximately 68.8% (31 March 2024: approximately 63.7%) per annum which management considered to be a safe level.

Loan impairment policy

The Group assessed and estimated credit loss allowances (“ECLs”) for the loan receivables according to the requirements of HKFRS 9 issued by the HKICPA. The Group applies a general approach to assess the ECLs of the loan receivables by assessing the increase in credit risk of the Group’s borrowers. The Group has recognised ECLs on loan receivables from the money lending business amounting to approximately HK\$0.2 million during the Period (for the six months ended 30 September 2023: approximately HK\$0.1 million). The Group considers that there has been a significant increase in credit risk when loan repayments are more than 30 days past due and the Group considers that a borrower to be in default when loan repayments are 90 days past due. In certain cases, the Group may also consider a borrower to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding loan repayments in full before taking into account any credit enhancements held by the Group. The Group has taken into account the following factors on the impairment assessment for the outstanding loans in accordance with the HKFRS 9: historical information such as past default records, an analysis of its current financial position, likelihood or risk of a default, an assessment on any significant increase in credit risk, and fair value of collaterals (if any), and adjust for forward-looking information that is available without undue cost or effort, such as the current and forecasted global economy and the general economic conditions of the industry in which the borrower operates. Related disclosures on the loan impairment from the money lending business are included in note 10 to the condensed consolidated statement of financial position.

The drop in the size of the Group’s loan portfolio was a result of the more cautious approach in accepting potential loan applications amidst a risky environment.

Despite the uncertainties in economic environment, the Group strives to continuously monitor and review the customers' profile and the market conditions for its money lending business, with the goal of building a healthy and stable platform within its treasury management segment.

Asset Management

The Group provides asset management services through the WOP Group, which has entered into joint ventures with various strategic partners in both residential developments and commercial investments. As the asset manager of the invested assets, the WOP Group earns various fee income, including asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the WOP Group's joint venture partners have received their targeted capital returns.

Please refer to the above sections headed "Property Development and Trading" and "Property Investment" for further details of the residential and commercial properties of which the WOP Group has been engaged as asset manager.

Hospitality

In December 2022, the WOP Group formed a joint venture with AG to acquire and operate a property at No. 19 Luk Hop Street, Kowloon, Hong Kong, formerly known as "Pentahotel Hong Kong, Kowloon". The property has been rebranded as "Sunny House Kai Tak" and redeveloped into student accommodation, offering 720 rooms with a total of 1,424 beds. As at the date of this announcement, the property is operational with an occupancy rate exceeding 99%, with residents comprising of primarily students from Mainland China and the Asia-Pacific region who are studying at colleges in Hong Kong.

By leveraging its expertise in asset management and expanding into the hospitality sector, the Group aims to secure asset management income and explore strategic opportunities for additional recurring revenue.

Property Management

The WOP Group started its property management business in 2017 and currently manages 7 projects as at the date of this announcement. The pricing model of the management fee charged by the WOP Group is based on a portion of the total annual expenses incurred by each building, ensuring a fair and transparent pricing structure. With an increase in residential project deliveries, the WOP Group anticipates an expansion in its property management business. They plan to continue investing in a professional property management team and advanced technology to deliver high-quality services and meet customer demands.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2024, the equity attributable to owners of the parent increased by approximately 1.8% to approximately HK\$5,359.4 million (31 March 2024: approximately HK\$5,266.3 million). The Group's total equity, including the non-controlling interests, increased to approximately HK\$8,197.6 million (31 March 2024: approximately HK\$8,119.0 million) as at 30 September 2024.

As at 30 September 2024, the Group's total assets were approximately HK\$16,132.0 million (31 March 2024: approximately HK\$17,582.6 million). Total cash and bank balances held amounted to approximately HK\$1,018.4 million (31 March 2024: approximately HK\$1,242.9 million) as at 30 September 2024. The Group also maintained a portfolio of liquid investments with an aggregate market value of approximately HK\$282.0 million (31 March 2024: approximately HK\$372.5 million) as at 30 September 2024, which was immediately available for use when in need.

As at 30 September 2024, the Group's total debt amounted to approximately HK\$5,310.8 million (31 March 2024: approximately HK\$6,346.9 million). The Group's net debt to equity ratio (or the net gearing ratio) was approximately 52.4% (31 March 2024: approximately 62.9%) as at 30 September 2024.

The net debt to equity ratio (or the net gearing ratio) is calculated as the net debt divided by total equity. Net debt is calculated as a total of interest-bearing bank and other borrowings, less cash and cash equivalents, restricted bank balances and pledged deposits.

As at 30 September 2024, the Group's property, plant and equipment, investment properties, properties under development, properties held for sale, loans receivables, and pledged deposits with carrying value of approximately HK\$269.5 million, approximately HK\$2,017.9 million, approximately HK\$1,189.0 million, approximately HK\$2,848.7 million, approximately HK\$64.7 million and approximately HK\$4.0 million, respectively (31 March 2024: approximately HK\$336.0 million, approximately HK\$2,025.9 million, approximately HK\$2,168.7 million, approximately HK\$2,123.2 million, approximately HK\$67.7 million and approximately HK\$44.1 million, respectively) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 30 September 2024 amounted to approximately HK\$1,351.0 million (31 March 2024: approximately HK\$1,798.1 million) which was mainly attributed to its property development business. In addition, the Group's share of capital commitments to joint ventures amounted to approximately HK\$465.9 million (31 March 2024: approximately HK\$548.3 million). The Group has given guarantee to banks in connection with facilities granted to two joint ventures up to approximately HK\$425.0 million (31 March 2024: approximately HK\$370.4 million) which were utilised to the extent of approximately HK\$407.9 million (31 March 2024: approximately HK\$301.3 million) as at 30 September 2024.

As at 30 September 2024, the Group provided guarantees of approximately HK\$19.6 million to customers in favour of certain banks for the loans provided by the banks to the customers in respect of the properties sold to them (31 March 2024: approximately HK\$22.8 million), representing the contingent liabilities of approximately HK\$86,000 (31 March 2024: approximately HK\$129,000) in relation to such guarantees. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principal amount together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds. Save as disclosed herein, the Group had no significant contingent liabilities as at 30 September 2024.

The Group continually strengthens its financial risk control and adopts a prudent financial management approach. By closely monitoring its financial resources, the Group ensures efficient operations and retains flexibility to respond to opportunities and uncertainties. Management of the Group believes the current financial structure is healthy and resources are sufficient to meet the needs for future operations. Operating a central cash management system optimises cash flow and minimises idle cash, while prudent investments in liquid assets generate reasonable returns and maintain liquidity.

As at 30 September 2024, interest-bearing debt profile of the Group was analysed as follows:

	30 September 2024 HK\$'000	31 March 2024 HK\$'000
Bank loans repayable		
Within one year or on demand	3,320,728	3,992,007
In the second year	556,789	252,425
In the third to fifth year, inclusive	921,683	1,427,215
Beyond five years	—	56,666
	4,799,200	5,728,313
Other loans repayable		
Within one year or on demand	220,918	161,780
In the second year	274,530	456,830
In the third to fifth year, inclusive	16,200	—
	511,648	618,610
	5,310,848	6,346,923

Note: CAP issued unsecured notes with maturity in 2024 (the “Unsecured Notes”) which were listed on the Stock Exchange by way of debt issue to professional investors only (stock code: 5755). Pursuant to the terms and conditions of the Unsecured Notes set out in the offering circular of CAP dated 19 May 2014 and the pricing supplement to the offering circular dated 26 May 2014, CAP has redeemed all the outstanding Unsecured Notes on 31 March 2024 at a price equal to 92.88% of the principal amount excluding interest accrued to and including the date of redemption. The Unsecured Notes were formally delisted on 8 April 2024.

To meet the interest-bearing debts, business capital expenditure and funding needs for, inter alia, replenishment of the Group's land bank, enhancing our portfolio of properties for investment and/or payment of construction costs for the development of the property development projects, the Group has from time to time been considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bond issuance, convertible notes, other debt financial arrangements and disposal of properties.

As at 30 September 2024, the Group's total interest-bearing debts amounted to approximately HK\$5,310.8 million (31 March 2024: approximately HK\$6,346.9 million), among which, approximately HK\$492.2 million (31 March 2024: approximately HK\$762.1 million) bore interest at fixed interest rates, and the remaining debts of approximately HK\$4,818.6 million (31 March 2024: approximately HK\$5,584.8 million) bore interest at floating interest rates.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2024, the Group held financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets and liabilities at fair value through profit or loss (“FVPL”) of approximately HK\$55.5 million and approximately HK\$214.2 million, respectively:

	As at 30 September 2024		Six months ended 30 September 2024			Fair value/carrying amount		
	Amount held <i>HK\$'000</i>	Percentage to the Group's total assets %	Fair value gain/(loss) <i>HK\$'000</i>	Interest income <i>HK\$'000</i>	Dividend received <i>HK\$'000</i>	As at 30 September 2024 <i>HK\$'000</i>	As at 31 March 2024 <i>HK\$'000</i>	Investment cost <i>HK\$'000</i>
FVOCI:								
A. Equity investment	42,974	0.3%	(24,027)	—	76	42,974	96,696	104,430
B. Bonds	<u>12,550</u>	<u>0.1%</u>	<u>890</u>	<u>272</u>	<u>—</u>	<u>12,550</u>	<u>22,942</u>	<u>339,568</u>
Subtotal	<u>55,524</u>	<u>0.4%</u>	<u>(23,137)</u>	<u>272</u>	<u>76</u>	<u>55,524</u>	<u>119,638</u>	<u>443,998</u>
FVPL:								
A. Equity investment	99	—	(1,093)	—	285	99	13,346	2,460
B. Funds	187,467	1.1%	(8,930)	—	362	187,467	216,701	150,947
C. Others	<u>26,614</u>	<u>0.2%</u>	<u>(12,167)</u>	<u>—</u>	<u>—</u>	<u>26,614</u>	<u>22,248</u>	<u>41,749</u>
Subtotal	<u>214,180</u>	<u>1.3%</u>	<u>(22,190)</u>	<u>—</u>	<u>647</u>	<u>214,180</u>	<u>252,295</u>	<u>195,156</u>
Total	<u>269,704</u>	<u>1.7%</u>	<u>(45,327)</u>	<u>272</u>	<u>723</u>	<u>269,704</u>	<u>371,933</u>	<u>639,154</u>

As at 30 September 2024, financial assets at fair value through other comprehensive income included listed equity securities and listed/unlisted debt investments. The Group has always adopted a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary. The Group intended to hold these investments for long term purpose aiming to generating a stable income.

Financial asset and liabilities at fair value through profit or loss mainly included an investment portfolio of unlisted funds and derivative financial instruments.

Notes:

1. Save as disclosed above, the Group also invested in other shares listed on the Stock Exchange and other major stock exchanges. The fair value of each of these shares represented less than 1.0% of the total assets of the Group as at 30 September 2024.
2. Save as disclosed above, the Group also invested in other bonds and funds, the fair value of each of these bonds and funds represented less than 1.0% of the total assets of the Group as at 30 September 2024.

On 2 August 2024, the Board announced that three subsidiaries of the Company entered into respective leases as tenant with one independent third party landlord for use of the relevant premises as the Group's office premises for a term of four years from 1 January 2024 to 31 December 2027 (both dates inclusive) and certain right of use assets were acquired under these new leases which were accounted for under HKFRS 16 as a property, plant and equipment and lease liability in the amount of approximately HK\$50.0 million. For details, please refer to the Company's announcement dated 2 August 2024.

Save as disclosed above, during the Period, the Group did not have any other significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets.

EVENTS AFTER REPORTING PERIOD

There is no material event undertaken by the Company or by the Group subsequent to 30 September 2024 and up to the date of this announcement.

FOREIGN EXCHANGE

The Board is of the opinion that the Group has material foreign exchange exposure in Renminbi (“**RMB**”). All the bank borrowings are denominated in Hong Kong dollar or RMB. The revenue of the Group, being mostly denominated in Hong Kong dollar or RMB, matches the currency requirements of the Group's operating expenses. Currently, the Group does not have a foreign currency hedging policy.

The activities of the Group are exposed to foreign currency risks mainly arising from its operations in the PRC. The RMB exposure of the Group is mainly derived from currency translation risk arising from the net assets of our PRC subsidiaries. The re-translation of the net assets denominated in RMB into Hong Kong dollars using the exchange rate as of 30 September 2024 resulted in a re-translation loss of approximately HK\$11.7 million (for the six months ended 30 September 2023: loss of approximately HK\$187.7 million). The re-translation loss was recognised in other comprehensive income/exchange reserve.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group had 2,005 (31 March 2024: 2,111) employees, of whom approximately 46% (31 March 2024: approximately 44%) were located in Hong Kong and Macau and the rest were located in the PRC. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as individual's performances. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for eligible employees in Hong Kong and retirement contributions for staff in the PRC and Macau in accordance with the statutory requirements. The Group had launched a defined scheme of remuneration and promotion review to accommodate the above purpose, which is normally carried out annually. The Group also provides other forms of benefits such as medical and retirement benefits and structured training programs to its employees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has reviewed the principal risks and uncertainties which may affect its businesses, financial condition, operations and prospects based on its risk management system and considered that the major risks and uncertainties that may affect the Group included (i) Hong Kong economic conditions which may directly affect the property market; (ii) availability of suitable land bank for future development; (iii) the continuous escalation of construction cost in Hong Kong in recent years; (iv) business cycle for property under development may be influenced by a number of factors and the Group's revenue will be directly affected by the mix of properties available for sale and delivery; (v) all construction works were outsourced to independent third parties and they may fail to provide satisfactory services adhering to the Group's quality and safety standards or within the timeline required by the Group; (vi) fluctuations of fair value gain or loss incurred on financial assets and investment properties; (vii) credit risk and recoverability of provision of loans which may incur bad debts during downturn of economy; (viii) loss of management contracts for fresh markets which may arise in light of severe competition with existing market players and entry of new participants into the market; (ix) industrial policy risk and supply chain disruption due to material shortage or price inflation for pharmaceutical business; (x) internet risk; (xi) fluctuation in the exchange rate of RMB against Hong Kong dollars which may affect the repatriation of profit and/or additions of investment when converting currencies; and (xii) industrial policy risk for development, construction, operations and acquisition of agri-produce exchange markets.

In response to the above possible risks, the Group has implemented a series of internal control and risk management policies to cope with the possible risks, and has carried out serious scrutiny over the selection of quality customers and suppliers. The Group has formed various committees to develop and review strategies, policies and guidelines on risk control. These measures enable the Group to monitor and response to risk effectively and promptly. The Group also actively proposes solutions to lower the impact of the possible risks on its businesses.

PROSPECTS

Hong Kong's economy is facing challenges as a major global hub for finance, transport and trade, supported by Mainland China. The Hong Kong government is rolling out strategies to draw in international businesses, investments and talent, boosting Hong Kong's competitiveness.

In the second quarter of 2024, the economy grew moderately, with real GDP increasing by approximately 3.3% year-on-year, driven by strong exports. However, growth slowed to approximately 1.8% in the third quarter due to global uncertainties and stricter financial conditions. Home prices are expected to decrease in 2024 amid ongoing economic challenges. In response, the government has removed demand-side stamp duties on residential properties, and the Hong Kong Monetary Authority has revised mortgage measures to offer greater flexibility for borrowers. These actions are positive signs of economic recovery.

In September and November 2024, the U.S. Federal Reserve cut interest rates by 50 basis points and 25 basis points, respectively. Further interest rate cuts are anticipated in December 2024 and 2025. The Group expects these reductions to alleviate interest expenses and boost investment sentiment among customers.

Sunny House Kai Tak, one private student housing project in Hong Kong, opened in August 2024 with an occupancy rate of over 99% as at the date of this announcement. The development of student housing aligns with the policy objective in the 2024 Policy Address to transform Hong Kong into an international talent hub. The WOP Group plans to expand the co-living accommodation segment, supporting the "Study in Hong Kong" initiative.

In August and November 2024, the WOP Group achieved outstanding results from the pre-sales of residential projects located on Finnie Street and King's Road, despite a challenging market environment. Looking ahead to the first half of 2025, the WOP Group plans to launch the pre-sales of another residential project located on Wai Fung Street. As a result, the WOP Group anticipates record-high contracted sales for the financial year ending 31 March 2025.

The fresh market business has been profitable and generated positive cash flow over the past decades. However, it now faces increased competition from other fresh markets, retail operators, and online shopping and delivery services. To address these challenges, the Group is stabilising its fresh market portfolio by collaborating with landlords to secure suitable locations, creating a stable foundation for operations and expanding its customer base. By leveraging its expertise and resources, the Group aims to optimise its operations, achieve economies of scale, and enhance customer service, bolstering its reputation as a reliable fresh market operator. Additionally, the Group is allocating more resources to develop its retailing business, including butchery, fruits, and vegetables, to strengthen recurring income and enhance overall profitability and sustainability in a competitive market.

WYT is committed to providing high-quality Traditional Chinese Medicine (TCM) consultation services with a focus on personalised and specialised care to meet individual customer's needs. WYT is enhancing its Customer Relationship Management (CRM) system to foster stronger, trust-based relationships with customers, aiming for long-term, mutually beneficial engagements.

The Guangdong-Hong Kong-Macau Greater Bay Area policy offers significant growth opportunities for the Chinese pharmaceutical and health food sectors. WYT is strategically positioned to leverage these opportunities by aligning its business strategies with regional market dynamics and investing in cross-border e-commerce to enhance its brand presence. By focusing on exceptional service delivery, strengthening customer relationships, and capitalising on the Greater Bay Area policy, WYT aims to navigate current market uncertainties and achieve sustained success in the Chinese pharmaceutical and health food industry.

Since April 2024, the WYT Group has been recruiting strategic distribution partners for Madame Pearl's children's cough syrup in Mainland China. The product has been listed in several "Top 10" pharmacy chains, hospitals and clinics. The WYT Group is also launching tablet medicines for Upper Respiratory Infections (URI) under the "Madame Pearl's" brand to establish it as a URI specialist. Post-Covid-19, there is a growing concern about health, boosting the health supplement market. The WYT Group plans to launch four innovative health supplements next year, targeting glucose levels, cholesterol levels, liver health, and joint function, which are common concerns in Hong Kong and Mainland China. These products are expected to positively contribute to the WYT Group.

The No. 1 Document of the Central Committee of the Communist Party of China ("CPC") in 2024 emphasises agriculture as a national priority, outlining measures to revitalise rural development, ensure food security, eliminate poverty, and enhance rural industrial standards. The CPC is focusing on the "Three Rural" issues—agriculture, rural areas, and farmers—drawing on successful initiatives like Zhejiang's Green Rural Revival Program. To seize new business opportunities, the CAP Group is expanding its operations in the PRC with an "asset light" strategy, cooperating with various partners, and exploring electronic platform development to leverage the PRC government's promotion of the data economy. The CAP Group is also expanding its scope in the wet market and trading sectors to reinforce its industry leadership.

The Group is well-prepared to tackle global economic uncertainties in 2024 by closely monitoring changes, risks, and assets, and adopting a proactive management approach. Their commitment to seizing development opportunities and delivering solid returns to shareholders demonstrates their determination to thrive despite challenges. With a healthy financial position and a diversified business portfolio, the Group is well-equipped to weather economic fluctuations and continue growing. This diversification provides the flexibility needed to navigate uncertain conditions and serves as a strategic advantage. The Group's confidence in sustained growth and long-term value creation for stakeholders is bolstered by their strategic investments and prudent decision-making.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY AND CANCELLATION OF SHARES OF THE COMPANY

Save as the disposal of 1,083,552 shares of the Company by WYT on 29 April 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares of the Company, if any) during the six months ended 30 September 2024. As at 30 September 2024, the Company did not hold any treasury shares of the Company.

The Group received 1,187,123,105 shares of the Company on 25 March 2024 pursuant to the special dividend of WYT partially satisfied by way of distribution in specie of the shares of the Company. Such 1,187,123,105 shares of the Company were cancelled on 29 April 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company. The Board believes that good corporate governance practices are fundamental and essential to the success of the Company and the enhancement and promotion of the value of the shareholders of the Company and our stakeholders.

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules throughout the Period save as the below deviation:

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Period, Mr. Tang Ching Ho, the chairman of the Board, also assumed the role of managing Director. Mr. Tang has extensive management experience in corporate management in the industries of the Group and is responsible for overall corporate planning, strategic policy making of the Group which is of great value in enhancing the efficiency to cope with the recent fierce competitive and ever-changing business market environment and the communication between the Board and management, so as to ensure the effective execution of the Board's strategies. Furthermore, the Board considers that Mr. Tang is an executive of high caliber with a wide range of skills and diversified business expertise and there are various committees and experienced individuals dealing with specific assignments and business unit(s) and managing the daily business operations. Moreover, the Board comprises three executive Directors and three INEDs with balance of skills and experience appropriate for the Group's further development. Currently, the Company does not propose to comply with code provision C.2.1 of the CG Code for the time being but will continue to review such deviation to enhance the best interest of the Group as a whole.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding the securities transactions by the Directors. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over, among other things, the Group's financial reporting process, internal controls, risk management and other corporate governance issues. The Audit Committee has reviewed with management the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2024. The Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung. Mr. Siu Kam Chau is the chairman of the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wangon.com). The 2024 interim report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company (if appropriate) and available on the above websites in due course.

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

Hong Kong, 27 November 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie, and three independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung.