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**Central Culture Resource
Group Limited**

*(Incorporated in the British Virgin Islands
with limited liability)*

**Wang Yang Holdings Limited
泓盈控股有限公司**

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 1735)

JOINT ANNOUNCEMENT

**(1) SALE AND PURCHASE OF SHARES
IN WANG YANG HOLDINGS LIMITED;**

(2) UNCONDITIONAL MANDATORY CASH OFFER

**BY HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED FOR AND
ON BEHALF OF THE OFFEROR TO ACQUIRE**

**ALL THE ISSUED SHARES OF WANG YANG HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE**

ACQUIRED BY THE OFFEROR AND

PARTIES ACTING IN CONCERT WITH IT);

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;

(4) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER;

AND

(5) RESUMPTION OF TRADING

Financial Adviser to the Offeror



THE SPA

The Company was informed by the Vendor that on 8 August 2019, after trading hours, the Offeror (as purchaser) and the Offeror Guarantor (as purchaser's guarantor) entered into the SPA with the Vendor and the Vendor Guarantors (as vendor's guarantors) pursuant to which the Offeror has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 75% of the total issued share capital of the Company as at the date of this joint announcement, at a total consideration of HK\$420,000,000 (equivalent to approximately HK\$2.1212 per Sale Share), which was determined after arm's length negotiation between the Vendor and the Offeror with reference to, among others, the audited consolidated net assets of the Group as at 31 March 2019, results of operations of the Group and the control premium (when compared to the audited consolidated net assets of the Group as at 31 March 2019) attributable to the Sale Shares. Completion was not subject to any conditions and took place on 12 August 2019.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, the Offeror and parties acting in concert with it did not hold, own, have control or direction over any voting rights or rights over the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 198,000,000 Shares, representing 75% of the issued Shares.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

As at the date of this joint announcement, the Company had 264,000,000 Shares in issue. The Company did not have any outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the date of this joint announcement. Taking into account 198,000,000 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it, a total of 66,000,000 Shares will be subject to the Offer.

Huatai Financial will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share. HK\$2.1213 in cash

The Offer Price of HK\$2.1213 per Offer Share is approximately equal to the purchase price per Sale Share paid by the Offeror under the SPA which was arrived at after arm's length negotiation between the Offeror and the Vendor.

The Offer is unconditional in all respects. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

As at the date of this joint announcement, there are 264,000,000 Shares in issue of which the Offeror and parties acting in concert with it together hold 198,000,000 Shares. On the assumption that the Offer is accepted in full by the holders of the Offer Shares and on the basis that there are 66,000,000 Offer Shares and the Offer Price being HK\$2.1213 per Offer Share, the value of the Offer is HK\$140,005,800.

The cash consideration paid for the Sale Shares was satisfied by a combination of (i) the Offer Facility A in the principal amount of HK\$230,000,000 granted by Huatai Financial under the Facility Agreement; and (ii) internal resources of the Offeror amounted to HK\$190,000,000.

The Offeror intends to finance the consideration payable under the Offer by a combination of (i) the Offer Facility B in the principal amount of HK\$70,000,000 granted by Head & Shoulders under the Facility Agreement; and (ii) internal resources of the Offeror amounted to approximately HK\$70,105,000. By reason of being the lender of the Offer Facility B under the Facility Agreement, Head & Shoulders is presumed to be acting in concert with the Offeror in relation to the Offer pursuant to class (9) of the definition of "acting in concert" under the Takeovers Code. Huatai Financial, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required to be payable by the Offeror upon full acceptance of the Offer.

As security to the Offer Facilities, the Offeror has, among others, entered into the Share Charges where, among others, all of the Sale Shares will be charged in favour of Huatai Financial as security agent under the Facility Agreement.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu, all being the independent non-executive Directors who have no direct or indirect interest in the Offer, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Given that Ms. KY Tsui, the non-executive Director, is one of the shareholders of the Vendor and is considered to have a material interest in the Offer, Ms. KY Tsui shall not form part of the Independent Board Committee.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

Innovax Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the Independent Financial Adviser by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in relation to the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from Innovax Capital Limited to the Independent Board Committee in respect of the Offer will be included in the Composite Document to be despatched jointly by the Company and the Offeror to the Shareholders pursuant to the Takeovers Code.

DESPATCH OF THE COMPOSITE DOCUMENT

The Offeror and the Company intend that a composite offer and response document in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer forms), (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, inter alia, the terms of the Offer, together with forms of acceptance and transfer, should be despatched to the Shareholders by or on behalf of the Offeror within 21 days after the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document shall be despatched on or before 6 September 2019.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 9 August 2019 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 August 2019.

WARNING

The Directors strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from the Independent Financial Adviser to the Independent Board Committee.

Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

THE SPA

The Company was informed by the Vendor that on 8 August 2019 (after trading hours), the Offeror (as purchaser) and the Offeror Guarantor (as purchaser's guarantor) entered into the SPA with the Vendor and the Vendor Guarantors (as vendor's guarantors), pursuant to which the Offeror has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 75% of the total issued share capital of the Company as at the date of this joint announcement, at a total consideration of HK\$420,000,000 (equivalent to approximately HK\$2.1212 per Sale Share). Completion of the sale and purchase took place on 12 August 2019. The consideration for the Sale Shares had been fully settled by the Offeror to the Vendor by way of cash on Completion. A summary of the salient terms of the SPA is set out below.

- Date** 8 August 2019 (after trading hours)
- Parties**
- (i) the Offeror (as the purchaser of the Sale Shares)
 - (ii) the Offeror Guarantor (as the guarantor to the Offeror);
 - (iii) the Vendor (as the vendor of the Sale Shares); and
 - (iv) the Vendor Guarantors (as the guarantors to the Vendor);

Immediately before entering into the SPA, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are Independent Third Parties. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Offeror and its ultimate beneficial owner are Independent Third Parties. For further information of the Offeror, please refer to the paragraph headed "INFORMATION OF THE PARTIES — The Offeror" below.

Pursuant to the SPA, (i) the Offeror Guarantor guarantees, among others, the Offeror's performance of its obligations under the SPA and shall indemnify the Vendor for the loss and costs incurred by the Vendor resulted from the failure by the Offeror to perform its obligations under the SPA and the breach of the representations and warranties given by the Offeror under the SPA; and (ii) the Vendor Guarantors guarantee, among others, the Vendor's performance of its obligations under the SPA and shall, subject to the terms and limitation under the SPA, indemnify the Offeror for the losses and damages which the Offeror shall have incurred or sustained from the breach of the representations and warranties given by the Vendor under the SPA.

Subject matter

Pursuant to the terms and conditions of the SPA, the Offeror agreed to acquire and the Vendor agreed to sell, the Sale Shares free from all encumbrances or any third party rights (in any nature) and together with all rights attaching to them as at Completion (including but not limited to all rights to receive any dividend or other distribution which may be declared, made or paid on or after the Completion Date).

Consideration

The consideration for the Sale Shares is HK\$420,000,000 (equivalent to approximately HK\$2.1212 per Sale Share) was determined after arm's length negotiation between the Vendor and the Offeror with reference to, among others, the audited consolidated net assets of the Group as at 31 March 2019, results of operations of the Group and the control premium (when compared to the audited consolidated net assets of the Group as at 31 March 2019) attributable to the Sale Shares.

Completion

Completion was not subject to any conditions and took place on 12 August 2019.

Immediately after Completion, the Vendor no longer holds, owns, controls or has direction over any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, the Offeror and parties acting in concert with it did not hold, own or have control or direction over any voting rights or rights over the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 198,000,000 Shares, representing 75% of the issued Shares of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

Huatai Financial, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share. HK\$2.1213 in cash

The Offer Price of HK\$2.1213 per Offer Share is approximately equal to the purchase price per Sale Share under the SPA which was arrived at after arm's length negotiation between the parties to the Offeror and the Vendor.

As at the date of this joint announcement, the Company had 264,000,000 Shares in issue. The Company did not have outstanding convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue which may confer any rights to subscribe for, convert or exchange into Shares and has not entered into any agreement for the issue of such warrants, options, derivatives or securities which are convertible or exchangeable into Shares as at the date of this joint

announcement. Taking into account 198,000,000 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it, a total of 66,000,000 Shares will be subject to the Offer.

The Offer is unconditional in all respects. The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date on which the Offer is made (i.e. the date of despatch of the Composite Document) or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of despatch of the Composite Document). The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

Comparisons of value

The Offer Price of HK\$2.1213 per Offer Share represents:

- (i) a discount of 47.6222% to the closing price of HK\$4.05 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 47.3361% to the average closing price of HK\$4.0280 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 45.2709% to the average closing price of HK\$3.8760 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 42.3042% to the average closing price of HK\$3.6767 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 222.7818% over the audited consolidated net asset value of the Group of approximately HK\$0.6572 per Share (based on the total number of issued Shares of 264,000,000 Shares as at the Last Trading Day) as at 31 March 2019, the date to which the latest audited consolidated annual results of the Group were made up.

As (a) the consideration per Sale Share represented a premium over the audited consolidated net asset value of the Group as at 31 March 2019; (b) the Company recorded a loss of approximately HK\$11 million for the year ended 31 March 2019 as compared to a profit of approximately HK\$10.7 million for the year ended 31 March 2018; (c) the recent political and financial instabilities in Hong Kong caused uncertainty in business environment; (d) Offeror's background and prior experience in real estate development and construction industries in the PRC may provide strategic opportunities to the Group, the Vendor agreed to sell the Sale Shares at a discount as compared to the closing prices of the Shares as quoted on the Stock Exchange on the aforesaid trading days.

Highest and lowest Share prices

During the six-month period immediately preceding the date of this joint announcement (being the commencement date of the Offer Period) up to and including the Last Trading Day, the highest closing price of the Shares was HK\$4.1 per Share as quoted on the Stock Exchange on 2 August 2019 and the lowest closing price of the Shares was HK\$1.79 per Share as quoted on the Stock Exchange on 15 March 2019.

Value of the Offer

As at the date of this joint announcement, there were 264,000,000 Shares in issue. Excluding 198,000,000 Shares held by the Offeror and parties acting in concert with it, the number of Shares subject to the Offer is 66,000,000 Shares. The Company does not have any outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Assuming that there is no change in the number of issued Shares and on the basis of the Offer Price at HK\$2.1213 per Share, the Offer is valued at approximately HK\$140,005,800.

Confirmation of financial resources

The cash consideration paid for the Sale Shares was satisfied by a combination of (i) the Offer Facility A in the principal amount of HK\$230,000,000 granted by Huatai Financial under the Facility Agreement; and (ii) internal resources of the Offeror amounted to HK\$190,000,000. As security to the Offer Facilities, the Offeror has, among others, entered into the Share Charges where, among others, all of the Sale Shares will be charged in favour of Huatai Financial as security agent under the Facility Agreement.

The Offeror intends to finance the consideration payable under the Offer by a combination of (i) the Offer Facility B in the principal amount of HK\$70,000,000 granted by Head & Shoulders under the Facility Agreement; and (ii) internal resources of the Offeror amounted to approximately HK\$70,105,000. By reason of being the lender of the Offer Facility B under the Facility Agreement, Head & Shoulders is presumed to be acting in concert with the Offeror in relation to the Offer pursuant to class (9) of the definition of “acting in concert” under the Takeovers Code.

Huatai Financial, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of fund required to be payable by the Offeror upon full acceptance of the Offer.

Dealing and interest in the Company’s securities

By reason of being the financial adviser to the Offeror, Huatai Financial is presumed to be acting in concert with the Offeror in relation to the Offer. Details of holdings or borrowings or lendings of, and dealings in, Shares held by or entered into by other parts of the Huatai Financial group will be obtained as soon as possible after this joint announcement has been made, and if necessary, a further announcement will be made, in accordance with Note 1 to Rule 3.5 of the Takeovers Code.

Save for the acquisition of the Sale Shares and the Shares dealt under the Share Charges, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them had not dealt in or owned any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares during the six-month period immediately prior to the date of this joint announcement, being the date of commencement of the Offer Period.

Other arrangements

The Offeror confirms that as at the date of this joint announcement:

- (i) save as the Sale Shares and the Shares dealt with under the Share Charges, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns, holds or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (ii) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept or reject the Offer;
- (iii) there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iv) save for the Facility Agreement and the Share Charges, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (v) other than the consideration paid to the Vendor under the SPA and the interest and fees payable by the Offeror (as borrower) to Huatai Financial (as lender) and to Head & Shoulders (as lender) pursuant to the Facility Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror, its ultimate beneficial owner or their respective concert parties to any of the Vendor and/or Huatai Financial and/or Head & Shoulders and/or their respective concert parties in connection with the Sale Shares;
- (vi) save for the SPA, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vii) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has borrowed or lent; and
- (viii) there is no understanding, arrangement or agreement or special deal under Rule 25 of the Takeovers Code between the Offeror, its ultimate beneficial owner or their respective concert parties on one hand and the Vendor and its concert parties on the other hand; and

(ix) there is no understanding, arrangement or agreement or special deal between any Shareholder and the Offeror, its ultimate beneficial owner and/or their respective concert parties.

The Company confirms that, as at the date of this joint announcement, there is no understanding, arrangement or agreement or special deal under Rule 25 of the Takeovers Code between any Shareholders on the one hand, and the Company, its subsidiaries or associated companies on the other hand.

Effect of accepting the Offer

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

By accepting the Offer, the Independent Shareholders will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, Huatai Financial, Head & Shoulders

and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such overseas jurisdictions).

If the receipt of the Composite Document by Overseas Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the date of this joint announcement:

<i>Shareholders</i>	Immediately before Completion		Immediately following Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>% of issued Shares</i>	<i>Number of Shares</i>	<i>% of issued Shares</i>
Profound Contractors Limited (<i>Note</i>)	198,000,000	75%	—	—
Offeror and parties acting concert with it	—	—	198,000,000	75%
Public Shareholders	<u>66,000,000</u>	<u>25%</u>	<u>66,000,000</u>	<u>25%</u>
Total	<u>264,000,000</u>	<u>100.00%</u>	<u>264,000,000</u>	<u>100.00%</u>

Note: Profound Contractors Limited is beneficially owned as to 62.5%, 25% and 12.5% by Ms. KY Tsui, Mr. Benjamin Ng and Ms. May Ng respectively as at the date of this joint announcement. Ms. KY Tsui, Mr. Benjamin Ng and Ms. May Ng are directors of Profound Contractors Limited. Mr. Benjamin Ng and Ms. May Ng are the executive Directors and Ms. KY Tsui is a non-executive Director of the Company.

INFORMATION ON THE PARTIES

The Group

The Company is a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange. The Group is a contractor principally undertaking (i) foundation works; (ii) superstructure building works; and (iii) other construction works in Hong Kong.

Set out below is a summary of the audited consolidated financial information of the continuing operations of the Group for each of the financial years ended 31 March 2018 and 2019 as disclosed in the Company's annual report published on 5 July 2019 for the year ended 31 March 2019:

	Year ended/ As at 31 March 2018	Year ended/ As at 31 March 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	215,692	199,228
Gross profit	50,673	7,968
Profit/(loss) before income tax	17,082	(9,372)
Profit/(loss) for the year	10,728	(10,814)
Net assets	187,153	173,499

The Offeror

The Offeror is a limited liability company incorporated in the BVI with limited liability. The Offeror is an investment holding company and its entire issued share capital is beneficially and directly held by Mr. Yu. As at the date of this joint announcement, the Offeror is interested in 198,000,000 Shares.

Mr. Yu, aged 46, is the sole beneficial owner and sole director of the Offeror. Mr. Yu obtained a Master Degree of Business Administration from Hong Kong Baptist University in November 2007 and was awarded an EMBA from Cheung Kong Graduate School of Business in September 2013. He is an entrepreneur with over 15 years of experience primarily in the property development and investment industry in the PRC. Mr. Yu started his own business and founded 安徽中環控股集團有限公司 (Anhui Central Holding Group Company Limited, for identification purposes only) in the PRC in 2004 which is mainly engaged in real estate development, commercial properties leasing, environmentally friendly construction, cultural and creative industry, smart logistics and health and wellness industry in the PRC.

Intention of the Offeror on the Group

Upon Completion, the Offeror became a Controlling Shareholder. The Offeror intends to continue the existing businesses and operations of the Group which include the undertaking of foundation works, superstructure building works and other construction works in Hong Kong. With Mr. Yu's personal background and management experience in various industries including real estate development and environmentally friendly construction industries in the PRC, the Offeror will leverage on the Company's existing management team to explore related business opportunities in Hong Kong and the PRC in future.

The Offeror will, following the close of the Offer, conduct a review of the financial position, operations, existing investments and proposed investments of the Group in order to formulate a long-term strategy for the Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue bases. The Offeror intends to leverage its experience, expertise and network in the PRC to explore further investment opportunities for the Group. As at the date of this joint announcement, the Offeror had not identified such investment or business opportunities and there had not been any discussions or negotiations between the Offeror and any third parties regarding injections of assets or business into, or disposals of assets or business of the Group.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment except for the proposed change of the Board composition as detailed in the section sub-headed "Proposed change to the Board composition" below.

Proposed change to the Board composition

The Board is currently made up of two executive Directors, being Mr. Benjamin Ng and Ms. May Ng, one non-executive Director, being Ms. KY Tsui, and three independent non-executive Directors, being Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu. Pursuant to the SPA, the Vendor shall procure all the existing Directors to resign with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations. Nevertheless, the current executive Directors shall remain as management and/or directors at subsidiary levels of the Group focusing on operations after the change of Board composition. It is the intention of the Offeror, with the continual services of the existing management team of the Group, to continue to carry out the future plan and business strategies set out in the prospectus of the Company dated 19 March 2018.

The Offeror intends to nominate new Directors to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. The Offeror is in the process of identifying suitable candidates and further announcement(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange may exercise its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. In the event that the public float of the Company falls below 25% following the close of the Offer, the Offeror and the new Directors to be nominated by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that at least 25% of the total number of used Shares will be held by the public within a reasonable time following the close of the Offer. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising, Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu, all being the independent non-executive Directors who have no direct or indirect interest in the Offer, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Given that Ms. KY Tsui, the non-executive Director, is one of the shareholders of the Vendor and is considered to have a material interest in the Offer, Ms. KY Tsui shall not form part of the Independent Board Committee.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Innovax Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the Independent Financial Adviser by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in relation to the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from Innovax Capital Limited to the Independent Board Committee in respect of the Offer will be included in the Composite Document to be despatched jointly by the Company and the Offeror to the Shareholders pursuant to the Takeovers Code.

GENERAL

Dealing disclosures

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of the Offeror or the Offeree Company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Despatch of the Composite Document

The Offeror and the Company intend that a composite offer and response document in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer forms), (ii) a letter of the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee of the Company in respect of the Offer, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, inter alia, the terms of the Offer, together with forms of acceptance and transfer, should be despatched to the Shareholders by or on behalf of the Offeror within 21 days of the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document shall be despatched on or before 6 September 2019.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 9 August 2019 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 19 August 2019.

WARNING

The Directors strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from the Independent Financial Adviser to the Independent Board Committee.

Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code or the Listing Rules (as appropriate)
“Board”	the board of Directors from time to time
“Business Day(s)”	a day on which the Stock Exchange is open for transaction of business
“BVI”	British Virgin Islands
“Company”	Wang Yang Holdings Limited (泓盈控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1735)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPA
“Completion Date”	the date on which the Completion took place, being 12 August 2019

“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code in respect of the Offer
“Controlling Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“Facility Agreement”	the facility agreement dated 8 August 2019 by, among others, the Offeror as borrower, Mr. Yu as guarantor, Huatai Financial as mandated lead arranger, facility agent, security agent and the Offer Facility A lender and Head & Shoulders as the Offer Facility B lender
“Group”	the Company and its subsidiaries
“Head & Shoulders”	Head & Shoulders Securities Limited, a licensed corporation, licensed with the SFC to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huatai Financial”	Huatai Financial Holdings (Hong Kong) Limited, a licensed corporation, licensed with the SFC to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu, formed to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	Innovax Capital Limited, a licensed corporation, licensed with the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in relation to the Offer

“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the directors, chief executive or substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	8 August 2019, being the last full trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Benjamin Ng”	Mr. Ng Chi Bun Benjamin (吳志斌), an executive Director, the chief executive officer and one of the Controlling Shareholders (as defined under the Listing Rules) of the Company, a director and 25% beneficial owner of the Vendor
“Ms. KY Tsui”	Ms. Tsui Kwok Ying (徐軾英), the non-executive Director, the chairman of the Board and one of the Controlling Shareholders (as defined under the Listing Rules) of the Company, a director and 62.5% beneficial owner of the Vendor
“Ms. May Ng”	Ms. Ng Chung Yan May (吳頌恩), an executive Director and one of the Controlling Shareholders (as defined under the Listing Rules) of the Company, a director and 12.5% beneficial owner of the Vendor
“Offer”	the unconditional mandatory cash offer to be made by Huatai Financial for and on behalf of the Offeror, for the Offer Shares in accordance with the Takeovers Code
“Offer Facility A”	the loan facility in the aggregate principal amount of HK\$230,000,000 granted by Huatai Financial (as lender) to the Offeror (as borrower) in accordance with the terms of the Facility Agreement for financing part of the consideration of the sale and purchase of the Sale Shares
“Offer Facility B”	the loan facility in the aggregate principal amount of HK\$70,000,000 granted by Head & Shoulders (as lender) to the Offeror (as borrower) in accordance with the terms of the Facility Agreement for financing part of the consideration of the Offer

“Offer Facilities”	collectively, the Offer Facility A and the Offer Facility B
“Offer Period”	has the meaning given to it in the Takeovers Code
“Offer Price”	the price at which for each of the Offer Shares will be made, being HK\$2.1213 per Offer Share
“Offer Share(s)”	all of the Share(s) in issue, other than those Shares owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offeror”	Central Culture Resource Group Limited, a company incorporated in the BVI with limited liability, details of which are set out in the paragraph headed “INFORMATION OF THE PARTIES — The Offeror”
“Offeror Guarantor” or “Mr. Yu”	Mr. Yu Zhuyun (余竹雲), the sole director and sole beneficial owner of the Offeror
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China
“Sale Shares”	198,000,000 Shares acquired by the Offeror pursuant to the SPA, which represents 75% of the total issued Shares as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Charges”	(i) the share charge entered into by the Offeror as chargor in favour of Huatai Financial as security agent dated 8 August 2019 whereby, among others, the Offeror charged the Sale Shares and the Shares to be acquired by the Offeror in the Offer; and (ii) the share charge entered into by Mr. Yu as chargor in favour of Huatai Financial as security agent dated 8 August 2019 whereby Mr. Yu charged the entire issued shares of the Offeror, each as security for the Offer Facilities
“Shareholders”	holders of the Shares

“SPA”	the sale and purchase agreement dated 8 August 2019 and entered into among the Offeror, the Vendor, the Offeror Guarantor and the Vendor Guarantors in respect of the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Vendor”	the vendor of the Sale Shares, being Profound Contractors Limited, a company incorporated in the BVI with limited liability which is beneficially owned as to 62.5% by Ms. KY Tsui, 25% by Mr. Benjamin Ng and 12.5% by Ms. May Ng
“Vendor Guarantors”	Ms. KY Tsui, Mr. Benjamin Ng and Ms. May Ng
“%”	per cent.

For and on behalf of
Central Culture Resource Group Limited
Yu Zhuyun
Sole director

By order of the Board
Wang Yang Holdings Limited
Tsui Kwok Ying
Chairman

Hong Kong, 16 August 2019

As at the date of this announcement, the Board comprises Mr. Ng Chi Bun Benjamin and Ms. Ng Chung Yan May as executive Directors; Ms. Tsui Kwok Ying (Chairman) as non-executive Director and Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this announcement, the sole director of the Offeror is Mr. Yu. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Company, the Vendor and their respective associates and parties acting in concert with them), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Company, the

Directors and the Vendor Guarantors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.