



中國萬天控股有限公司

China Wantian Holdings Ltd

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1854)

Suite 2106, 21/F., Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong

Tel: (852) 2388 9676

Fax: (852) 2336 1912

7 November 2024

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO
(1) PROPOSED DISPOSAL OF SUBSIDIARIES; AND
(2) PROPOSED LEASEBACK OF PROPERTIES;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement whereby the Board announced that on 27 September 2024, the Vendor and the Purchaser entered into the Share Purchase Agreement, pursuant to which, (i) the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued shares of the Target Company, which in turn indirectly holds the entire interest of the Properties; and (ii) the Vendor

conditionally agreed to procure C.Y. Food Trading to sell and assign, and the Purchaser conditionally agreed to purchase and accept the assignment of, the Sale Loan, at the total consideration of HK\$56,320,000.

The purpose of this circular is to provide you with, among other things, (i) further information regarding the Share Purchase Agreement and the Leaseback Agreement; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Share Purchase Agreement and the Leaseback Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regard to the aforesaid; (iv) the valuation reports in respect of the market value and the market rent of the Properties; (v) other information required under the Listing Rules; and (vi) a notice convening the EGM.

THE SHARE PURCHASE AGREEMENT

Principal terms of the Share Purchase Agreement are set out below:

Date	27 September 2024
Parties	(i) Eminent Ace as Vendor; and (ii) Mr. Liu as Purchaser

As at the Latest Practicable Date, Mr. Liu is an executive Director, a shareholder of the Company indirectly interested in approximately 9.60% of the issued share capital of the Company and the sole director of each company of the Target Group. As such, Mr. Liu is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Disposal pursuant to the Share Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Assets to be disposed of

The assets to be disposed of pursuant to the Share Purchase Agreement comprise (i) the Sale Shares; and (ii) the Sale Loan.

The Sale Shares represent the entire issued shares of the Target Company, which in turn indirectly holds the entire interest of the Properties.

As at the Latest Practicable Date, the principal assets of the Target Group are the Properties, which are located at Workshops A & B, 1st Floor, Sunking Factory Building, Nos. 1–7 Shing Chuen Road, Shatin, New Territories, Hong Kong and are currently used in the operation of the Group's food supply business in Hong Kong.

The Sale Loan represents the intra-group accounts payables of approximately HK\$15,196,000 due from Healthy Cheer to C. Y. Food Trading, a direct wholly-owned subsidiary of the Vendor, as at 30 June 2024. Pursuant to the Share Purchase Agreement, the Vendor shall procure C.Y. Food Trading to sell and assign, and the Purchaser shall purchase and accept the assignment of, the Sale Loan.

As part of the pre-Completion undertakings, each of the Vendor and the Purchaser shall (i) ensure that the amount of the Sale Loan as at the Completion Date is not greater than HK\$14,366,000; (ii) cause the Target Group to transfer all its cash and bank balances to the Company or its subsidiaries (excluding the Target Group) so that the remaining cash and bank balances of the Target Group are nil as at the Completion Date; and (iii) procure the Target Group not to incur or agree to incur any further debts or liabilities from the Company or any of its subsidiaries (excluding the Target Group) from the date of the Share Purchase Agreement to the Completion Date.

As at the Latest Practicable Date, the cash and bank balances of the Target Group of approximately HK\$830,000 had been transferred to C. Y. Food Trading, resulting in the balance of the Sale Loan of HK\$14,366,000.

Consideration

The consideration for the disposal of the Sale Shares and the Sale Loan in aggregate is HK\$56,320,000, which has been arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the unaudited net liability value of the Target Group based on its management accounts as at 30 June 2024 of approximately HK\$383,000, which mainly includes the Sale Loan, property, plant and equipment and leasehold lands in right-of-use assets of approximately HK\$15,196,000, HK\$9,455,000 and HK\$5,965,000 respectively; (ii) the prevailing market prices of properties of similar nature within the same area; and (iii) the valuation of the Properties as at 31 August 2024 as appraised by the Independent Valuer at HK\$51,200,000. The Consideration, which is a result of arm's length commercial negotiations between the Vendor and the Purchaser, represents a premium of 10% to the aforesaid valuation. Given that the leaseback arrangement of the Properties, which provides a term of two (2) years commencing on the Completion Date under the Leaseback Agreement, helps save the Purchaser's time and cost in looking for a tenant in the market as well as secures his capital return immediately following Completion, the Consideration at a premium is considered to be reasonable to the Purchaser. On the other hand, given the downward trend of the industrial price index for the latest three years, the 10% premium is a term favourable to the Group and in the best interests of the Company and the Shareholders as a whole.

Taking into account the upward valuation of HK\$35,780,000 of the Properties, if an adjustment was made to the book value of the property, plant and equipment and leasehold lands in right-of-use assets, the adjusted unaudited net asset value of the Target Group would be HK\$35,397,000. As such, the Consideration represents a premium of approximately 16.2%, or HK\$5,727,000, to the adjusted unaudited net asset value of the Target Group after deduction of the Sale Loan.

The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) the deposit of HK\$5,632,000 shall be paid within ten (10) Business Days of signing of the Share Purchase Agreement; and
- (b) the balance of HK\$50,688,000 shall be paid upon Completion.

Pursuant to the Share Purchase Agreement, if the amount of the Sale Loan as at the Completion Date is greater than HK\$14,366,000, the balance of the Consideration shall be adjusted upward by such difference and the amount of the Consideration shall be increased accordingly.

The valuation of the Properties was arrived at by adoption of a market approach performed by the Independent Valuer, Peak Vision Appraisals Limited, based on the direct comparison method. The direct comparison method is based on prices realised in actual transactions prices of comparable properties. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of value. According to the valuation, the fair value of the Properties in aggregate as at 31 August 2024 was HK\$51,200,000. The full text of the property valuation report is set out in Appendix I to this circular.

Leaseback arrangement

Pursuant to the Share Purchase Agreement, it is a condition to Completion that Healthy Cheer and C.Y. Food Trading or another subsidiary of the Company as nominated by the Vendor shall enter into the Leaseback Agreement on or before the Completion Date for the lease of the Properties to the Group (excluding the Target Group) for a period of two (2) calendar years commencing from the Completion Date at the aggregate monthly rental of HK\$200,000. Details of the Leaseback Agreement are set out in the below section headed “The Leaseback Agreement”.

Conditions

Completion is conditional upon the following conditions being fulfilled (or waived, if applicable) on or before the Long Stop Date:

- (a) all necessary authorisations and approvals required of the Vendor and/or the Company in relation to the Share Purchase Agreement and the Leaseback Agreement and the transactions contemplated thereunder having been obtained by the Vendor and/or the Company (as the case may be), including but not limited to the approval by the Independent Shareholders as required under the Listing Rules;
- (b) the Vendor’s warranties remaining true and accurate and not misleading in all material respects as at the Completion Date;

- (c) the Purchaser's warranties remaining true and accurate and not misleading in all material respects as at the Completion Date; and
- (d) the Leaseback Agreement having been executed on or before the Completion Date.

The Vendor and the Purchaser shall use their respective reasonable endeavours to procure the fulfilment (or waiver, if applicable) of the above conditions on or before the Long Stop Date.

If any of the above conditions is not either fulfilled or waived by the Purchaser and/or the Vendor (other than conditions (a) and (d), which may not be waived) on or before the Long Stop Date, the deposit of HK\$5,632,000 shall be refunded to the Purchaser without interest within five (5) Business Days from the Long Stop Date. Upon the refund of the deposit to the Purchaser by the Vendor, the Share Purchase Agreement shall automatically lapse and be of no further effect, and no party to the Share Purchase Agreement shall have any liability and obligation to the other party.

Completion

Completion shall take place on the Completion Date, being within five (5) Business Days after the fulfilment (and/or waiver, if applicable) of the conditions set out in the Share Purchase Agreement, or such other date as the parties thereto may agree in writing.

INFORMATION ON THE TARGET GROUP

The Target Group comprises the Target Company and its subsidiary, namely Healthy Cheer.

The Target Company, namely Lion Metro, is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. The Target Company is an indirect wholly-owned subsidiary of the Company.

Healthy Cheer is a company incorporated in Hong Kong with limited liability and is engaged in property holding and investment. Healthy Cheer is a direct wholly-owned subsidiary of the Target Company. As at the Latest Practicable Date, Healthy Cheer legally and beneficially owns the Properties, which are the principal assets of the Target Group.

The unaudited consolidated total asset value and unaudited consolidated net liability value of the Target Group as at 30 June 2024 based on the management accounts of the Target Group were approximately HK\$16,149,000 and HK\$383,000, respectively.

A summary of the unaudited consolidated financial information of the Target Group for the year ended 31 March 2023 and for the nine months ended 31 December 2023 is set out below:

	For the year ended 31 March 2023 HK\$ (unaudited)	For the nine months ended 31 December 2023 HK\$ (unaudited)
Profit before tax	510,000	387,000
Profit after tax	387,000	328,000

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is engaged in three business segments, namely (i) food supply; (ii) catering services; and (iii) environmental protection and technology services.

The Directors have been assessing the property market in Hong Kong and reviewing the Group's options over the Properties held by the Group. Taking into account (i) the nature and quality of the Properties (including their location, age, condition and the facilities in the vicinity); (ii) the recent market conditions and the prevailing market prices for industrial properties in Hong Kong; (iii) the overall economy in Hong Kong; and (iv) the holding of the Properties being not essential for the Group's long-term development, the Board (including the independent non-executive Directors whose opinions are set out in the letter from the Independent Board Committee after considering the advice of the Independent Financial Adviser) is of the view that the Disposal will not have a material adverse effect on the Group's business operations. The Directors believe that the Disposal represents a good opportunity to realise the value of the Properties at a premium, which allows the Group to deploy the proceeds from the Disposal for the development of the Group's higher growth segments including its food supply and catering businesses in the Greater Bay Area.

INTENDED USE OF PROCEEDS FROM THE DISPOSAL

The Company expects that the net proceeds from the Disposal will be approximately HK\$55.7 million and intends to apply the net proceeds as follows:

1. Approximately 60%, or approximately HK\$33.4 million, of the net proceeds will be used for financing the expansion of the Group's fresh food supply business.

Among them, the Group intends to use approximately 20%, or approximately HK\$11.1 million, of the net proceeds for increasing the trading volume of fresh fruit through the development of a new product line as well as the setting up of a new distribution channel.

Further, the Group intends to use approximately 40%, or approximately HK\$22.3 million, of the net proceeds for increasing the trading volume of fresh meat by expanding the existing product line and distribution channel.

2. Approximately 20%, or approximately HK\$11.1 million, of the net proceeds will be used for financing the development of the Group's catering business.

The Group is engaged in the catering industry in the Greater Bay Area and is currently running various eateries in Zhongshan, PRC. As disclosed in the announcement and the circular of the Company dated 15 July 2024 and 27 August 2024 respectively, the Group planned to expand the scale of its catering operations in Zhongshan through the opening of more eateries. To this end, the Group intends to deploy HK\$11.1 million of the net proceeds as (i) the capital expenditure for the purpose of upgrading and/or maintaining these newly opened eateries, which includes leasehold improvements, and furniture, fixtures and equipment; and (ii) funds to support the Group's catering business in the Greater Bay Area.

3. Approximately 20%, or approximately HK\$11.1 million, of the net proceeds will be used as general working capital of the Group, including but not limited to, staff costs, rental, professional fees and other overhead expenses of the Group.

Set out below is a summary breakdown of the intended use of proceeds from the Disposal and the expected timeline for utilisation of the estimated net proceeds:

Intended use of proceeds	Approximate amount of estimated net proceeds	Expected timeline for utilising the estimated net proceeds
Development of a new product line and setting up of a new distribution channel for fresh fruit trading	HK\$11.1 million	on or before 30 June 2025
Expansion of the existing product line and distribution channel for fresh meat trading	HK\$22.3 million	on or before 30 June 2025
Development of the catering business in the Greater Bay Area (including funding capital expenditure for newly opened eateries)	HK\$11.1 million	on or before 30 June 2025
General working capital	HK\$11.1 million	on or before 30 June 2025

Having considered the reasons for and the benefits of the Disposal set out above, the Board (including the independent non-executive Directors whose opinions are set out in the letter from the Independent Board Committee after considering the advice of the Independent Financial Adviser) is of the opinion that the terms of the Disposal, including the Consideration, are fair and reasonable and in the interests of the Shareholders as a whole.

Mr. Liu, being the Purchaser, is considered to have material interests in the Share Purchase Agreement and thus, has abstained from voting on the Board resolutions approving the Share Purchase Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors were required to abstain from voting on the Board resolutions in relation thereto.

FINANCIAL EFFECTS OF THE DISPOSAL

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

Based on the unaudited consolidated financial information of the Target Group as at 30 June 2024 and the Consideration of HK\$56,320,000, the Company is expected to recognise a gain (before transaction costs) of approximately HK\$42,337,000 from the Disposal following Completion. Such gain is estimated based on the Consideration plus HK\$383,000, being the consolidated net liabilities of the Target Group, and minus HK\$14,366,000, being the balance of the Sale Loan as at the Latest Practicable Date.

Shareholders should note that the expected gain on the Disposal stated above, which is estimated based on the information currently available, is for illustrative purposes only. The actual amount of the gain (or loss) as a result of the Disposal to be recognised in the consolidated financial statements of the Group will have to be ascertained at the time when the Group's consolidated financial statements are prepared, and is subject to audit.

THE LEASEBACK AGREEMENT

Pursuant to the Share Purchase Agreement, it is a condition to Completion that Healthy Cheer shall enter into the Leaseback Agreement with C.Y. Food Trading or another subsidiary of the Company as nominated by the Vendor on or before the Completion Date, pursuant to which the Group shall lease back the Properties for its business use. The principal terms of the Leaseback Agreement are set out below:

Parties	(i) C.Y. Food Trading or another subsidiary of the Company as nominated by the Vendor as tenant; and
	(ii) Healthy Cheer as landlord
Properties	The Properties

Lease term	Two (2) calendar years commencing from the Completion Date
Monthly rental	HK\$200,000 (exclusive of management fees and government rent and rates)
Break clause	After the expiration of eleven (11) months from the commencement of the term of the lease, the tenant shall have the right to terminate the Leaseback Agreement by giving a not less than one month's written notice to the landlord.

The monthly rental payable under the Leaseback Agreement was determined after arm's length negotiations between the parties thereto, taking into account (i) the prevailing market conditions and the prevailing market rent for similar premises in the vicinity of the Properties; and (ii) the market rent report prepared by the Independent Valuer, the full text of which is set out in Appendix II to this circular. The rental payable under the Leaseback Agreement in respect of the Properties is expected to be financed by the internal resources of the Group.

ACCOUNTING TREATMENT

Under HKFRS 16 "*Leases*" and in the consolidated statement of financial position of the Group, the Group as the tenant shall recognise a lease as a right-of-use asset and a lease liability, both of approximately HK\$4,518,000 under the Leaseback Agreement. The right-of-use asset represents its right to use the underlying leased asset over the lease term and the lease liability represents its obligation to make lease payments (i.e. the rental and certain other charge payments) under the Leaseback Agreement.

Under HKFRS 16 "*Leases*" and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use asset; and (ii) interest expenses amortised from the lease liability over the lease term under the Leaseback Agreement.

REASONS FOR AND BENEFITS OF THE LEASEBACK AGREEMENT

As set out in the section headed "Reasons for and benefits of the Disposal" above in this circular, it is in the interests of the Group to realise its investments in the Properties. To ensure the continuity of the operation of the Group's food supply business in Hong Kong on or after Completion, the Group has agreed to enter into the Leaseback Agreement on or before Completion.

The terms of the Leaseback Agreement have been negotiated at arm's length by the parties thereto and the aggregate monthly rental of HK\$200,000 was determined taking into account (i) the current market conditions and the prevailing market rent for similar premises in the vicinity of the Properties; and (ii) the market rent report prepared by the Independent Valuer.

The Board (including the independent non-executive Directors whose opinions are set out in the letter from the Independent Board Committee after considering the advice of the Independent Financial Adviser) is of the opinion that the terms of the Leaseback Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

Mr. Liu, being the sole ultimate beneficial owner of Healthy Cheer upon Completion, is considered to have material interests in the Leaseback Agreement and thus, has abstained from voting on the Board resolutions approving the Leaseback Agreement and the transactions contemplated thereunder. Save as disclosed above, no other Directors were required to abstain from voting on the Board resolutions in relation thereto.

INFORMATION ON THE PARTIES

The Group and the Vendor

The Group is principally engaged in three business segments, namely (i) food supply; (ii) catering services; and (iii) environmental protection and technology services.

The Vendor is a direct wholly-owned subsidiary of the Company and is engaged in investment holding.

The Purchaser

Mr. Liu, being the Purchaser, is (i) an executive Director; (ii) a shareholder of the Company indirectly interested in approximately 9.60% of the issued share capital of the Company; and (iii) the sole director of each company of the Target Group as at the Latest Practicable Date. Upon Completion, Mr. Liu will become the sole beneficial owner of the Target Group.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the Purchaser, being Mr. Liu, is an executive Director, a shareholder of the Company indirectly interested in approximately 9.60% of the issued share capital of the Company and the sole director of each company of the Target Group. Therefore, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 5%, the Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16 “*Leases*”, the lease contemplated under the Leaseback Agreement will be recognised as right-of-use assets in relation to such agreement (with fixed lease payments) and will be regarded as an acquisition of assets by the Group under Rule 14A.24(1) of the Listing Rules. Upon execution of the Leaseback Agreement, the Group will recognise the value of the right-of-use assets in the aggregate amount of approximately HK\$4,518,000 in connection with the lease of the Properties on its consolidated statement of financial position. Shareholders should note that the abovementioned figures are unaudited and may be subject to adjustment in the future.

Upon Completion, Healthy Cheer will be wholly and ultimately beneficially owned by Mr. Liu and thus Healthy Cheer will be a connected person of the Company. Accordingly, the entering into of the Leaseback Agreement will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since (i) the execution of the Leaseback Agreement is a condition to Completion of the Disposal pursuant to the Share Purchase Agreement; (ii) the underlying subject of the Share Purchase Agreement and the Leaseback Agreement is the Properties; and (iii) the Share Purchase Agreement and the Leaseback Agreement are/will be entered into between the Group and the same connected person of the Company, the transactions contemplated under the Leaseback Agreement and the Share Purchase Agreement are regarded as one transaction involving both an acquisition and a disposal. For the purpose of Rule 14.24 of the Listing Rules, the disclosure obligation that would apply to the transaction should be determined by the larger of (i) the acquisition contemplated under the Leaseback Agreement; and (ii) the Disposal contemplated under the Share Purchase Agreement.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal under the Share Purchase Agreement, being the larger transaction compared with the value of the right-of-use assets to be recognised by the Group under the Leaseback Agreement, exceeds 5% but is less than 25%, the transactions contemplated under the Leaseback Agreement and the Share Purchase Agreement constitute discloseable and connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders’ approval requirements under the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 2 December 2024 to Thursday, 5 December 2024, both days inclusive, during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 5 December 2024 are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 29 November 2024.

EGM

A notice convening the EGM to be held at 10:00 a.m. on Thursday, 5 December 2024 at Suite 2106, 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong is set out from pages 77 to 79 of this circular. Ordinary resolutions will be proposed at the EGM for the Independent Shareholders to approve the Share Purchase Agreement and the Leaseback Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you subsequently so wish and in such event, the form of proxy will be deemed to be revoked.

VOTING AT THE EGM

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder who has a material interest in the transaction must abstain from voting on the resolution. In view of the interests of Mr. Liu, he and his associates are required to abstain from voting on the resolutions to approve the Share Purchase Agreement and the Leaseback Agreement and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, 1,978,469,769 Shares were in issue, among which 190,000,000 Shares (representing approximately 9.60% of the issued Shares) were held by Classic Line Holdings Limited ("**Classic Line**"), which is wholly-owned by Mr. Liu. Save as disclosed above, Mr. Liu does not have any other interests in the Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Share Purchase Agreement and the Leaseback Agreement and the transactions contemplated thereunder and no other Shareholder is therefore required to abstain from voting at the EGM for the relevant resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules, all the resolutions proposed to be approved at the EGM (except for those relating purely to a procedural or administrative matter which may be voted on by a show of hands) will be taken by poll. Accordingly, the resolutions to be considered and, if thought fit, approved at the EGM will be voted by way of poll by the Shareholders. Every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative, who is entitled to more than one vote need not use all his/her/its votes or cast all his/her/its votes in the same way. Further announcement(s) on the poll results will be made by the Company after the EGM in compliance with Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

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

RECOMMENDATIONS

The Board (including the independent non-executive Directors whose opinions are set out in the letter from the Independent Board Committee after considering the advice of the Independent Financial Adviser) is of the view that the terms of the Share Purchase Agreement and the Leaseback Agreement have been negotiated on an arm's length basis and are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM. Before deciding how to vote on the ordinary resolutions at the EGM, you are advised to read (i) the letter from the Independent Board Committee from pages 19 to 20 of this circular; and (ii) the letter from the Independent Financial Adviser from pages 21 to 51 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Share Purchase Agreement and the Leaseback Agreement and the transactions contemplated thereunder as well as the principal factors and reasons considered by it in arriving its opinions.


ADDITIONAL INFORMATION

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By order of the Board
China Wantian Holdings Limited

A handwritten signature in black ink, appearing to read 'Hooy Kok Wai', with a stylized flourish at the end.

Hooy Kok Wai
Chairman and Executive Director