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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)



**WAI YUEN TONG MEDICINE
HOLDINGS LIMITED**

(位元堂藥業控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 897)



WANG ON PROPERTIES LIMITED

宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

JOINT ANNOUNCEMENT

DISCLOSEABLE AND CONNECTED TRANSACTION SALE AND PURCHASE OF TARGET COMPANIES HOLDING INTEREST IN PROPERTIES

**Independent Financial Advisor to WOG Independent Board Committee and
WOG Independent Shareholders**



**Independent Financial Advisor to WOP Independent Board Committee and
WOP Independent Shareholders**



**Independent Financial Advisor to WYT Independent Board Committee and
WYT Independent Shareholders**

ALTUS CAPITAL LIMITED

SALE AND PURCHASE OF TARGET COMPANIES HOLDING INTEREST IN PROPERTIES

On 8 September 2023 (after trading hours of the Stock Exchange), (i) Vendor I (an indirect wholly-owned subsidiary of WOP) and the Purchaser (an indirect wholly-owned subsidiary of WYT) and (ii) Vendor II (an indirect wholly-owned subsidiary of WOP) and the Purchaser respectively entered into the Sale and Purchase Agreements in relation to the sale and purchase of the Target Companies, pursuant to which, (i) Vendor I conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, (a) the Target I Sale Share (representing the entire issued share capital of Target Company I); and (b) the Target I Shareholder's Loan (being the shareholder's loan owing by Target Company I to Vendor I as at the Transaction I Completion Date), at a consideration of HK\$43.8 million (subject to adjustment), and (ii) Vendor II conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, (a) the Target II Sale Share (representing the entire issued share capital of Target Company II); and (b) the Target II Shareholder's Loan (being the shareholder's loan owing by Target Company II to Vendor II as at the Transaction II Completion Date), at a consideration of HK\$35.0 million (subject to adjustment), on the terms and subject to the conditions of the respective Sale and Purchase Agreements.

As of the date of this joint announcement, Target Company I holds 100% legal and beneficial ownership of Property I and Target Company II holds 100% legal and beneficial ownership of Property II.

LISTING RULES IMPLICATIONS

The Purchaser is a subsidiary of WYT and each of the Vendors is a subsidiary of WOP. Each of WYT and WOP is a subsidiary of WOG. Therefore the Purchaser is a connected person of WOP and each of the Vendors is a connected person of WYT. In addition, WYT is interested in approximately 11.18% of the issued share capital of WOG, therefore the Purchaser is a connected person of WOG. As the highest applicable percentage ratio in respect of the Transactions (on an aggregated basis) exceeds 5% but is less than 25% for each of WOG, WYT and WOP, the Transactions constitute a discloseable and connected transaction for each of WOG, WYT and WOP and are therefore subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

WOG SGM

The WOG SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreements and the Transactions by the WOG Independent Shareholders. The WOG Circular containing, among other things, (a) further particulars of the Sale and Purchase Agreements and the Transactions; (b) the recommendation of the independent board committee of WOG to the WOG Independent Shareholders in relation to the Sale and Purchase Agreements and the Transactions; (c) a letter of advice of the independent financial

advisor to the independent board committee of WOG and the WOG Independent Shareholders; (d) a notice convening the WOG SGM; and (e) other information as required by the Listing Rules, is expected to be despatched to the WOG Shareholders on or before 29 September 2023.

WYT SGM

The WYT SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreements and the Transactions by the WYT Independent Shareholders. The WYT Circular containing, among other things, (a) further particulars of the Sale and Purchase Agreements and the Transactions; (b) the recommendation of the independent board committee of WYT to the WYT Independent Shareholders in relation to the Sale and Purchase Agreements and the Transactions; (c) a letter of advice of the independent financial advisor to the independent board committee of WYT and the WYT Independent Shareholders; (d) a notice convening the WYT SGM; and (e) other information as required by the Listing Rules, is expected to be despatched to the WYT Shareholders on or before 29 September 2023.

WOP SGM

The WOP SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreements and the Transactions by the WOP Independent Shareholders. The WOP Circular containing, among other things, (a) further particulars of the Sale and Purchase Agreements and the Transactions; (b) the recommendation of the independent board committee of WOP to the WOP Independent Shareholders in relation to the Sale and Purchase Agreements and the Transactions; (c) a letter of advice of the independent financial advisor to the independent board committee of WOP and the WOP Independent Shareholders; (d) a notice convening the WOP SGM; and (e) other information as required by the Listing Rules, is expected to be despatched to the WOP Shareholders on or before 29 September 2023.

Completion of each of the Transactions is subject to fulfilment of the conditions precedent set out in the relevant Sale and Purchase Agreement, and the Transactions may or may not proceed. Shareholders and potential investors of WOG, WYT and WOP should exercise caution when dealing in the securities of WOG, WYT and WOP respectively.

INTRODUCTION

On 8 September 2023 (after trading hours of the Stock Exchange), (i) Vendor I (an indirect wholly-owned subsidiary of WOP) and the Purchaser (an indirect wholly-owned subsidiary of WYT) and (ii) Vendor II (an indirect wholly-owned subsidiary of WOP) and the Purchaser respectively entered into the Sale and Purchase Agreements in relation to the sale and purchase of the Target Companies, pursuant to which:

- (i) Vendor I conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, (a) the Target I Sale Share (representing the entire issued share capital of Target Company I); and (b) the Target I Shareholder's Loan (being the shareholder's loan owing by Target Company I to Vendor I as at the Transaction I Completion Date), at a consideration of HK\$43.8 million (subject to adjustment); and
- (ii) Vendor II conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, (a) the Target II Sale Share (representing the entire issued share capital of Target Company II); and (b) the Target II Shareholder's Loan (being the shareholder's loan owing by Target Company II to Vendor II as at the Transaction II Completion Date), at a consideration of HK\$35.0 million (subject to adjustment),

on the terms and subject to the conditions of the respective Sale and Purchase Agreements.

As of the date of this joint announcement, Target Company I holds 100% legal and beneficial ownership of Property I and Target Company II holds 100% legal and beneficial ownership of Property II.

THE SALE AND PURCHASE AGREEMENTS

The principal terms of the Sale and Purchase Agreements are summarized as follows:

Date: 8 September 2023

| | | | |
|--|---|---|---|
| Parties to the Sale and Purchase Agreement I: | (1) Vendor I, an indirect wholly-owned subsidiary of WOP, as vendor | Parties to the Sale and Purchase Agreement II: | (1) Vendor II, an indirect wholly-owned subsidiary of WOP, as vendor |
| | (2) the Purchaser, an indirect wholly-owned subsidiary of WYT, as purchaser | | (2) the Purchaser, an indirect wholly-owned subsidiary of WYT, as purchaser |

Subject Matters: *Sale and Purchase Agreement I*

Pursuant to the Sale and Purchase Agreement I, Vendor I has agreed to sell, and the Purchaser has agreed to purchase, the Target I Sale Share, representing the entire issued share capital of Target Company I, and the Target I Shareholder's Loan owing by Target Company I to Vendor I, both free from encumbrances.

Target Company I holds 100% legal and beneficial ownership of Property I.

Sale and Purchase Agreement II

Pursuant to the Sale and Purchase Agreement II, Vendor II has agreed to sell, and the Purchaser has agreed to purchase, the Target II Sale Share, representing the entire issued share capital of Target Company II, and the Target II Shareholder's Loan owing by Target Company II to Vendor II, both free from encumbrances.

Target Company II holds 100% legal and beneficial ownership of Property II.

Each Property is sold on an “as-is” basis free from encumbrances at completion to the relevant Transaction. Each Property is currently subject to an existing mortgage, respectively. Pursuant to the relevant Sale and Purchase Agreement, the relevant Vendor shall procure repayment of all outstanding amounts and the full release or discharge of the relevant existing mortgage on or before the date of completion of the relevant Transaction.

Target I Consideration:

The consideration for Transaction I (including the sale and purchase of the Target I Sale Share and the assignment of the Target I Shareholder’s Loan) shall be HK\$43.8 million which shall be satisfied by the Purchaser in the following manner:

- (a) HK\$17.52 million shall be paid by the Purchaser as deposit to Vendor I (or a nominee as Vendor I may direct) upon the signing of the Sale and Purchase Agreement I; and
- (b) HK\$26.28 million being the remaining balance of the consideration shall be paid by the Purchaser to Vendor I (or a nominee as Vendor I may direct) on Transaction I Completion.

The Target I Consideration was determined based on arm’s length negotiations between the parties with reference to various factors including but not limited to the WOP Group’s investment cost in respect of Property I, the rental income of Property I as well as the market value of Property I in the amounts of HK\$43.8 million and HK\$43.9 million based on the valuations of Property I as at 31 August 2023 arranged by WOP and WYT, respectively.

Target II Consideration:

The consideration for Transaction II (including the sale and purchase of the Target II Sale Share and the assignment of the Target II Shareholder’s Loan) shall be HK\$35.0 million which shall be satisfied by the Purchaser in the following manner:

- (a) HK\$14.0 million shall be paid by the Purchaser as deposit to Vendor II (or a nominee as Vendor II may direct) upon the signing of the Sale and Purchase Agreement II; and
- (b) HK\$21.0 million being the remaining balance of the consideration shall be paid by the Purchaser to Vendor II (or a nominee as the Vendor II may direct) on Transaction II Completion.

The Target II Consideration was determined based on arm’s length negotiations between the parties with reference to various factors including but not limited to the WOP Group’s investment cost in respect of Property II, the rental income of Property II as well as the market value of Property II in the amounts of HK\$35.0 million and HK\$35.3 million based on the valuations of Property II as at 31 August 2023 arranged by WOP and WYT, respectively.

**Consideration
Adjustment:**

Pursuant to the relevant Sale and Purchase Agreement, the relevant Vendor undertakes to deliver to the Purchaser within 30 days from the date of completion of the relevant Transaction the financial statements of the relevant Target Company for the period from the beginning of the current financial year to the date of completion. If the Target I NTAV or the Target II NTAV as shown in such relevant accounts is not zero, the following provisions shall apply:

- (a) if the Target I NTAV or the Target II NTAV as shown in such accounts is more than zero, the Purchaser shall pay such amount equal to the Target I NTAV or the Target II NTAV to the relevant Vendor within five business days from the date of receipt of such relevant accounts; or
- (b) if the Target I NTAV or the Target II NTAV as shown in such accounts is less than zero, the relevant Vendor shall pay the amount equal to the absolute amount of the Target I NTAV or the Target II NTAV to the Purchaser within five business days from the date of delivery of such relevant accounts.

**Conditions precedent to
Completions:**

Completion of the relevant Transaction is conditional upon the following conditions precedent being fulfilled or waived (if applicable):

- (a) the approval of the independent shareholders of each of WOG, WYT and WOP, and all other necessary corporate and regulatory consents and approvals required to be obtained on the part of WOG, WYT, WOP, the Vendors, the Purchaser and the Target Companies in respect of the relevant Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (b) any other requirements required to be fulfilled by each of WOG, WYT and WOP in respect of the transactions contemplated under the relevant Sale and Purchase Agreement under the Listing Rules having been fulfilled and complied with;
- (c) the Purchaser having completed its due diligence review on the business, financial, legal and other aspects of the relevant Target Company and having been satisfied with the results thereof;
- (d) The relevant Vendor shall and/or procure the relevant Target Company to give good title to and show and provide title to the relevant Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) respectively; and
- (e) each of the warranties given by the relevant Vendor being true and correct in all respects upon completion of the relevant Transaction.

Conditions (c) and (d) may be waived by the Purchaser at its absolute discretion. No other conditions may be waived by any party to the relevant Sale and Purchase Agreement.

If the conditions precedent set out in the relevant Sale and Purchase Agreement have not been fulfilled (or waived by the Purchaser) on or before 31 December 2023 or such other date as has been agreed in writing between the parties, the Purchaser shall be entitled to terminate the relevant Sale and Purchase Agreement. Upon such termination, the relevant Vendor shall return to the Purchaser all the deposits paid under the relevant Sale and Purchase Agreement in full within seven days from the date of such termination without compensation cost or interest.

For the avoidance of doubt, completion of any Transaction is not conditional upon completion of the other Transaction.

Completion of Transactions: Completion to the relevant Transaction shall take place within five business days following the date on which all of the conditions precedent shall have been fulfilled or waived (as applicable) pursuant to the relevant Sale and Purchase Agreement.

Immediately upon completion to the relevant Transaction, each Target Company will (i) cease to be a subsidiary of WOP, (ii) become a subsidiary of WYT, and (iii) continue to be a subsidiary of WOG.

Fees, Costs and Expenses: Each party shall bear its own legal and professional fees, costs and expenses, stamp duty and all other taxes in connection with or arising from the relevant Sale and Purchase Agreement and transactions contemplated thereunder.

The Purchaser intends to fund the considerations by internal resources of the WYT Group.

INFORMATION ON THE TARGET COMPANIES AND THE PROPERTIES

Each Target Company is incorporated in Hong Kong with limited liability for property holding purpose with no other major assets beside its direct interests in the relevant Property. Each Target Company is an indirect wholly-owned subsidiary of WOP as of the date of this joint announcement and prior to completion of the respective Transactions.

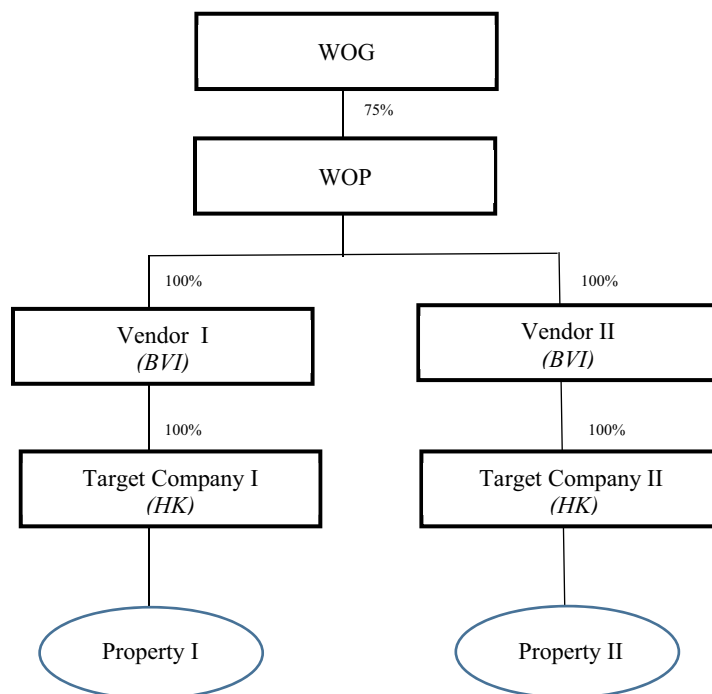
The Properties comprises (i) Property I, being a shop at the addresses of Shop No. N77, Ground Floor, Nos. 1-11, 15-17 Mount Sterling Mall and Nos. 10-16 Lai Wan Road, (Phase 7) Mei Foo Sun Chuen, Lai Chi Kok, Kowloon, Hong Kong; and (ii) Property II, being Shop F on Ground Floor of Kam Bo Building, No. 2 Tung Lok Street, Yuen Long, New Territories, Hong Kong.

Property I has a saleable area of 909 square feet, out of which the area of 778 square feet is currently under a lease with another subsidiary of WYT and is operated as a shop under the brand name of “Wai Yuen Tong”. The remaining area of 131 square feet is currently leased to a third party independent of each of WOG, WYT and WOP and is operating business unrelated to the businesses of the WOG Group, the WYT Group and the WOP Group.

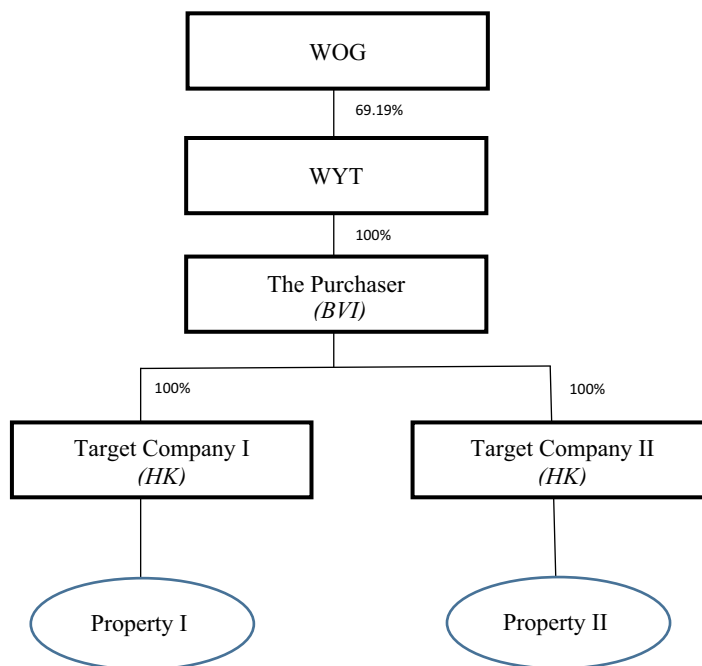
Property II has a saleable area of 470 square feet and is currently under a lease with a third party independent of each of WOG, WYT and WOP. Property II is operated as a franchise shop also under the brand name of “Wai Yuen Tong”.

The Properties will be delivered at completion of the respective Transactions subject to the relevant tenancy conditions.

The following diagram illustrates the simplified shareholding and ownership structure of the Target Companies as of the date of this joint announcement:



The following diagram illustrates the simplified shareholding and ownership structure of the Target Companies immediately upon the Transaction I Completion and Transaction II Completion:



Financial Information of the Target Companies

Set out below is a summary of the financial information of Target Company I for the two years ended 31 March 2022 and 2023 and for the four months ended 31 July 2023:

Target Company I

| | Year ended 31 March 2022 | Year ended 31 March 2023 | Four months ended 31 July 2023 |
|--------------------------------------|-------------------------------------|-------------------------------------|---|
| | <i>HK\$('000)</i> | <i>HK\$('000)</i> | <i>HK\$('000)</i> |
| | (audited) | (unaudited) | (unaudited) |
| Revenue | 1,224 | 1,680 | 538 |
| Net profit/(loss) before taxation | 1,659 | (305) | 142 |
| Net profit/(loss) after taxation | 1,659 | (305) | 142 |

The unaudited net assets value of the Target Company I as at 31 July 2023 was approximately HK\$1,492,000.

Set out below is a summary of the financial information of the Target Company II for the period from 3 November 2021 (date of incorporation) to 31 March 2022 and the year ended 31 March 2023 and for the four months ended 31 July 2023:

Target Company II

| | Period from 3 November 2021 (date of incorporation) to 31 March 2022 | Year ended 31 March 2023 | Four months ended 31 July 2023 |
|--------------------------------------|---|-------------------------------------|---|
| | <i>HK\$('000)</i> | <i>HK\$('000)</i> | <i>HK\$('000)</i> |
| | (audited) | (unaudited) | (unaudited) |
| Revenue | – | 900 | 400 |
| Net profit/(loss) before taxation | (2,419) | 49 | 393 |
| Net profit/(loss) after taxation | (2,419) | 49 | 393 |

The unaudited net liabilities of Target Company II as at 31 July 2023 was approximately HK\$1,977,000.

FINANCIAL IMPACT OF THE TRANSACTIONS TO WOG AND WOP AND USE OF PROCEEDS BY WOP

Financial Impact to WOG

The estimated related expenses of the Transactions for the WOG Group is approximately HK\$1.9 million. In addition, having considered the considerations of the Transactions and the unaudited net asset value or liabilities of each of the Target Companies as at 31 July 2023, it is estimated that upon completion of the Transactions, the total assets of the WOG Group will decrease by approximately HK\$41.5 million, the total liabilities of the WOG Group will decrease by approximately HK\$39.6 million, the equity attributable to owners of the parent of the WOG Group will decrease by approximately HK\$1.1 million and the non-controlling interests of the WOG Group will decrease by approximately HK\$0.8 million. Save as disclosed above, it is expected that there is no other material financial impact to the WOG Group of the Transactions. The actual financial impact will be subject to review by the auditors of WOG.

Financial Impact to WOP and Use of Proceeds by WOP

Having considered the considerations of the Transactions and the unaudited net asset value or liabilities of each of the Target Companies as at 31 July 2023, it is estimated that upon completion of the Transactions, the total assets of the WOP Group will decrease by approximately HK\$37.4 million. The total liabilities of the WOP Group will decrease by approximately HK\$40.5 million. It is estimated that the net assets of the WOP Group will have an increase of approximately HK\$3.1 million, being the net effect of the changes of the total assets and total liabilities of the WOP Group.

It is estimated that the WOP Group will record a gain on the disposal of the Properties pursuant to the Transactions in the amount of approximately HK\$3.1 million, which is calculated based on the initial consideration for the Transactions in the amount of HK\$78.8 million and taking into account the following items as at 31 July 2023: (i) the net assets or liabilities of the Target Companies, (ii) the amounts outstanding under the Target I Shareholder's Loan and the Target II Shareholder's Loan, (iii) the repayment of the principal amount under the outstanding bank loans owed by the Target Company I; and (iv) the estimated related expenses of the Transactions. The actual gain will be subject to review by the auditors of WOP.

The net proceeds, after repayment of the relevant existing mortgage loans, in the amount of approximately HK\$38.1 million arising from the Transactions will be used as working capital of WOP.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SALE AND PURCHASE AGREEMENTS

The vast majority of Property I and the entire Property II are operated as shops under the brand name of “Wai Yuen Tong”. The WOG Directors and the WYT Directors take the view that the acquisition of the Properties is consistent with the long-term business needs of the WYT Group and presents an opportunity for the WYT Group to further entrench and expand its business presence at desirable retail locations.

The WOG Directors and the WOP Directors undertake strategic review of WOG and WOP’s respective assets from time to time with a view to maximise returns to their respective shareholders. The WOG Directors and WOP Directors consider that the current market presents a good opportunity for WOG and WOP to realise its investment in the Properties, respectively. Accordingly, the WOG Directors and WOP Directors believe that the disposal of the Properties will enable WOG and WOP to reallocate its resources into future investment opportunities and pursue other growth opportunities, respectively.

The respective board of directors of WOG, WYT and WOP (excluding the independent non-executive directors of WOG, WYT and WOP, respectively, whose views will be set out in the letter from the respective independent board committee to be included in the respective WOG Circular, the WYT Circular and the WOP Circular) is of the view that the terms of (i) the Sale and Purchase Agreements and (ii) the Transactions are on normal commercial terms and fair and reasonable so far as each of WOG, WYT and WOP and their respective shareholders are concerned and thus the entering into of the Sale and Purchase Agreements is in the interests of each of the WOG Group, the WYT Group and the WOP Group and their respective shareholders as a whole.

INFORMATION ON THE WOG GROUP, THE PURCHASER, THE WYT GROUP, THE VENDORS AND THE WOP GROUP

WOG Group

The WOG Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment, property development and asset management in Hong Kong through WOP, its 75.00%-owned listed subsidiary; (iii) manufacturing and retailing of pharmaceutical and health food products through WYT, its approximately 69.19%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, an approximately 53.37%-owned listed subsidiary of WYT. WOG is ultimately owned by Mr. Tang Ching Ho (the chairman, an executive director and controlling shareholder of WOG) (together with his associates) as to approximately 50.67%.

The Purchaser and the WYT Group

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WYT principally engaged in investment holding.

The WYT Group is principally engaged in (i) the manufacturing and retailing of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of “Wai Yuen Tong”, mainly in the PRC and Hong Kong; (ii) the manufacturing and sale of Western pharmaceutical and health food and personal care products under the brand names of “Madame Pearls” and “Pearls”; (iii) property investment; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, an approximately 53.37%-owned listed subsidiary of WYT. WYT is owned by WOG as to approximately 69.19%, which is in turn ultimately owned by Mr. Tang Ching Ho (together with his associates) as to approximately 50.67%.

The Vendors and the WOP Group

Each of the Vendors is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP principally engaged in investment holding.

The WOP Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation and asset management. WOP is owned by WOG as to 75.00%, which is in turn ultimately owned by Mr. Tang Ching Ho (together with his associates) as to approximately 50.67%.

LISTING RULES IMPLICATIONS

The Purchaser is a subsidiary of WYT and each of the Vendors is a subsidiary of WOP. Each of WYT and WOP is a subsidiary of WOG. Therefore the Purchaser is a connected person of WOP and each of the Vendors is a connected person of WYT. In addition, WYT is interested in approximately 11.18% of the issued share capital of WOG, therefore the Purchaser is a connected person of WOG.

As the highest applicable percentage ratio in respect of the Transactions (on an aggregated basis) exceeds 5% but is less than 25% for each of WOG, WYT and WOP, the Transactions constitute a discloseable and connected transaction for each of WOG, WYT and WOP and are therefore subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

WOG SGM

The WOG SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreements and the Transactions by the WOG Independent Shareholders. WOG Shareholders who have a material interest in the Sale and Purchase Agreements and the Transactions and their respective close associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the WOG SGM. Mr. Tang Ching Ho is the chairman and an executive director of each of WOG and WYT. The Purchaser is a subsidiary of WYT and WYT is a substantial shareholder of WOG. Therefore, each of Mr. Tang Ching Ho, WYT and their close associates will abstain from voting on the relevant resolution(s) in relation to the Sale and Purchase Agreements and the Transactions.

An independent board committee comprising all of the independent non-executive WOG Directors has been established by WOG to give recommendations to the WOG Independent Shareholders on the terms and conditions of the Sale and Purchase Agreements and the Transactions. Merdeka Corporate Finance Limited has been appointed by WOG as WOG IFA to advise the independent board committee of WOG and the WOG Independent Shareholders in relation thereto.

The WOG Circular containing, among other things, (a) further particulars of the Sale and Purchase Agreements and the Transactions; (b) the recommendation of the independent board committee of WOG to the WOG Independent Shareholders in relation to the Sale and Purchase Agreements and the Transactions; (c) a letter of advice of the independent financial advisor to the independent board committee of WOG and the WOG Independent Shareholders; (d) a notice convening the WOG SGM; and (e) other information as required by the Listing Rules, is expected to be despatched to the WOG Shareholders on or before 29 September 2023.

WYT SGM

The WYT SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreements and the Transactions by the WYT Independent Shareholders. WYT Shareholders who have a material interest in the Sale and Purchase Agreements and the Transactions and their respective close associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the WYT SGM. Each of the Vendors is a subsidiary of WOP and WOP is a subsidiary of WOG. Therefore, WOG and its close associates will abstain from voting on the relevant resolution(s) in relation to the Sale and Purchase Agreements and the Transactions.

An independent board committee comprising all of the independent non-executive WYT Directors has been established by WYT to give recommendations to the WYT Independent Shareholders on the terms and conditions of the Sale and Purchase Agreements and the Transactions. Altus Capital Limited has been appointed by WYT as WYT IFA to advise the independent board committee of WYT and the WYT Independent Shareholders in relation thereto.

The WYT Circular containing, among other things, (a) further particulars of the Sale and Purchase Agreements and the Transactions; (b) the recommendation of the independent board committee of WYT to the WYT Independent Shareholders in relation to the Sale and Purchase Agreements and the Transactions; (c) a letter of advice of the independent financial advisor to the independent board committee of WYT and the WYT Independent Shareholders; (d) a notice convening the WYT SGM; and (e) other information as required by the Listing Rules, is expected to be despatched to the WYT Shareholders on or before 29 September 2023.

WOP SGM

The WOP SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreements and the Transactions by the WOP Independent Shareholders. WOP Shareholders who have a material interest in the Sale and Purchase Agreements and the Transactions and their respective close associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the WOP SGM. The Purchaser is a subsidiary of WYT and WYT is a subsidiary of WOG. Therefore, WOG and its close associates will abstain from voting on the relevant resolution(s) in relation to the Sale and Purchase Agreements and the Transactions.

An independent board committee comprising all of the independent non-executive WOP Directors has been established by WOP to give recommendations to the WOP Independent Shareholders on the terms and conditions of the Sale and Purchase Agreements and the Transactions. Pelican Financial Limited has been appointed by WOP as WOP IFA to advise the independent board committee of WOP and the WOP Independent Shareholders in relation thereto.

The WOP Circular containing, among other things, (a) further particulars of the Sale and Purchase Agreements and the Transactions; (b) the recommendation of the independent board committee of WOP to the WOP Independent Shareholders in relation to the Sale and Purchase Agreements and the Transactions; (c) a letter of advice of the independent financial advisor to the independent board committee of WOP and the WOP Independent Shareholders; (d) a notice convening the WOP SGM; and (e) other information as required by the Listing Rules, is expected to be despatched to the WOP Shareholders on or before 29 September 2023.

Completion of each of the Transactions is subject to fulfilment of the conditions precedent set out in the relevant Sale and Purchase Agreement, and the Transactions may or may not proceed. Shareholders and potential investors of WOG, WYT and WOP should exercise caution when dealing in the securities of WOG, WYT and WOP respectively.

DEFINITIONS

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

| | |
|--|---|
| “associates”, “connected person(s)”, “controlling shareholder(s)”, “percentage ratio(s)” and “subsidiary(ies)” | each has the meaning given to it under the Listing Rules |
| “BVI” | British Virgin Islands |
| “CAP” | China Agri-Products Exchange Limited (中國農產品交易有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 149) |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Properties” | Property I and Property II, and “each Property” or the “relevant Property” shall be construed accordingly |
| “Property I” | being Shop No. N77, Ground Floor, Nos. 1-11, 15-17 Mount Sterling Mall and Nos. 10-16 Lai Wan Road, (Phase 7) Mei Foo Sun Chuen, Lai Chi Kok, Kowloon, Hong Kong |
| “Property II” | being Shop F on Ground Floor of Kam Bo Building, No. 2 Tung Lok Street, Yuen Long, New Territories, Hong Kong |
| “Purchaser” | Guidepost Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WYT |

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| “Sale and Purchase Agreement I” | the sale and purchase agreement dated 8 September 2023 entered into between Vendor I and the Purchaser in relation to Transaction I |
| “Sale and Purchase Agreement II” | the sale and purchase agreement dated 8 September 2023 entered into between Vendor II and the Purchaser in relation to Transaction II |
| “Sale and Purchase Agreements” | the Sale and Purchase Agreement I and the Sale and Purchase Agreement II, and the “relevant Sale and Purchase Agreement” or the “respective Sale and Purchase Agreement” shall be constructed accordingly |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Companies” | Target Company I and Target Company II, and “each Target Company” or the “relevant Target Company” shall be construed accordingly |
| “Target Company I” | Success Vision Limited (誠衛有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Vendor I as of the date of this joint announcement, and the sole legal and beneficial owner of Property I |
| “Target Company II” | Nice Treasure Limited (利晴有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Vendor II as of the date of this joint announcement, and the sole legal and beneficial owner of Property II |
| “Target I Consideration” | an initial sum of HK\$43.8 million, subject to adjustment as set out in the section headed “The Sale and Purchase Agreements – Target I Consideration” in this joint announcement |
| “Target I NTAV” | the aggregate of all tangible assets of the Target Company I which are readily convertible into cash or cash equivalents (being prepayments, deposits and other receivables, and cash at bank and, for the avoidance of doubt, excluding the Property I, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Target I Shareholder’s Loan and any liability under the existing mortgage on Property I) and provisions of Target Company I as at Transaction I Completion Date |

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| “Target I Sale Share” | one issued ordinary share of Target Company I, representing the entire issued share capital of Target Company I legally and beneficially owned by Vendor I prior to Transaction I Completion |
| “Target I Shareholder’s Loan” | the shareholder’s loan(s) owing by Target Company I to Vendor I as at the Transaction I Completion Date, being unsecured, interest-free shareholder’s loan(s) repayable on demand, amounting to approximately HK\$20.8 million as at the date of this joint announcement |
| “Target II Consideration” | an initial sum of HK\$35.0 million, subject to adjustment as set out in the section headed “The Sale and Purchase Agreements – Target II Consideration” in this joint announcement |
| “Target II NTAV” | the aggregate of all tangible assets of the Target Company II which are readily convertible into cash or cash equivalents (being prepayments, deposits and other receivables, and cash at bank and, for the avoidance of doubt, excluding the Property II, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Target II Shareholder’s Loan) and provisions of Target Company II as at Transaction II Completion Date |
| “Target II Sale Share” | one issued ordinary share of Target Company II, representing the entire issued share capital of Target Company II legally and beneficially owned by Vendor II prior to the Transaction II Completion |
| “Target II Shareholder’s Loan” | the shareholder’s loan(s) owing by Target Company II to Vendor II as at the Transaction II Completion Date, being unsecured, interest-free shareholder’s loan(s) repayable on demand, amounting to approximately HK\$35.7 million as at the date of this joint announcement |
| “Transaction I” | the disposal and acquisition of the Target I Sale Share and the assignment of the Target I Shareholder’s Loan between Vendor I and the Purchaser pursuant to Sale and Purchase Agreement I |
| “Transaction I Completion” | completion of Transaction I pursuant to Sale and Purchase Agreement I |
| “Transaction I Completion Date” | the date of Transaction I Completion as more particularly disclosed in section headed “The Sale and Purchase Agreements – Completion of Transactions” in this joint announcement |

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| “Transaction II” | the disposal and acquisition of the Target II Sale Share and the assignment of the Target II Shareholder’s Loan between Vendor II and the Purchaser pursuant to Sale and Purchase Agreement II |
| “Transaction II Completion” | completion of Transaction II pursuant to Sale and Purchase Agreement II |
| “Transaction II Completion Date” | the date of Transaction II Completion as more particularly disclosed in section headed “The Sale and Purchase Agreements – Completion of Transactions” in this joint announcement |
| “Transactions” | Transaction I and Transaction II, and the “relevant Transaction” shall be construed accordingly |
| “Vendor I” | Viva Action Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP |
| “Vendor II” | Shining Sun Developments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP |
| “Vendors” | Vendor I and Vendor II, and the “relevant Vendor” shall be constructed accordingly |
| “WOG” | Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222) |
| “WOG Circular” | the circular to be despatched to the WOG Shareholders in relation to, among other things, the Sale and Purchase Agreements and the Transactions |
| “WOG Directors” | the directors of WOG |
| “WOG Group” | WOG and its subsidiaries |
| “WOG IFA” | Merdeka Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the independent board committee of WOG and WOG Independent Shareholders in respect of the Sale and Purchase Agreements and the Transactions |

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| “WOG Independent Shareholders” | the WOG Shareholder(s) who is/are not required to abstain from voting on the resolution to be proposed at the WOG SGM to approve the Sale and Purchase Agreements and the Transactions |
| “WOG SGM” | the special general meeting of WOG to be convened and held for the purpose of, among others, approving the Sale and Purchase Agreements and the Transactions |
| “WOG Shareholder(s)” | holder(s) of the WOG Shares |
| “WOG Shares” | the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WOG |
| “WOP” | Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243) and a 75.00%-owned listed subsidiary of WOG |
| “WOP Circular” | the circular to be despatched to the WOP Shareholders in relation to, among other things, the Sale and Purchase Agreements and the Transactions |
| “WOP Directors” | the directors of WOP |
| “WOP Group” | WOP and its subsidiaries |
| “WOP IFA” | Pelican Financial Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the independent board committee of WOP and WOP Independent Shareholders in respect of the Sale and Purchase Agreements and the Transactions |
| “WOP Independent Shareholders” | the WOP Shareholder(s) who is/are not required to abstain from voting on the resolution to be proposed at the WOP SGM to approve the Sale and Purchase Agreements and the Transactions |
| “WOP SGM” | the special general meeting of WOP to be convened and held for the purpose of, among others, approving the Sale and Purchase Agreements and the Transactions |

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| “WOP Shareholder(s)” | holder(s) of the WOP Shares |
| “WOP Shares” | the ordinary share(s) with a nominal value of HK\$0.001 each in the issued share capital of WOP |
| “WYT” | Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897) and an approximately 69.19%-owned listed subsidiary of WOG |
| “WYT Circular” | the circular to be despatched to the WYT Shareholders in relation to, among other things, the Sale and Purchase Agreements and the Transactions |
| “WYT Directors” | the directors of WYT |
| “WYT Group” | WYT and its subsidiaries |
| “WYT IFA” | Altus Capital Limited, a corporation licensed to carry out Type 4 (Advising on Securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities under the SFO and the independent financial adviser to the independent board committee of WYT and WYT Independent Shareholders in respect of the Sale and Purchase Agreements and the Transactions |
| “WYT Independent Shareholders” | the WYT Shareholder(s) who is/are not required to abstain from voting on the resolution to be proposed at the WYT SGM to approve the Sale and Purchase Agreements and the Transactions |
| “WYT SGM” | the special general meeting of WYT to be convened and held for the purpose of, among others, approving the Sale and Purchase Agreements and the Transactions |
| “WYT Shareholder(s)” | holder(s) of the WYT Shares |
| “WYT Shares” | the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WYT |

“%”

per cent.

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

By order of the board of directors of
WAI YUEN TONG MEDICINE
HOLDINGS LIMITED
(位元堂藥業控股有限公司)*
Tang Wai Man
Executive Director

By order of the board of directors of
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Tang Ho Hong
Executive Director and Chief Executive Officer

Hong Kong, 8 September 2023

As at the date of this joint announcement, the board of directors of WOG comprises Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie as executive directors, and Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung as independent non-executive directors.

As at the date of this joint announcement, the board of directors of WYT comprises Mr. Tang Ching Ho, Ms. Tang Wai Man and Ms. Law Man Yee, Anita as executive directors, and Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David as independent non-executive directors.

As at the date of this joint announcement, the board of directors of WOP comprises Mr. Tang Ho Hong, Ms. Wong Chin Han and Ms. Ching Tak Won Teresa as executive directors; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah, Sr Dr. Leung Tony Ka Tung and Dr. Chan Ho Wah Terence as independent non-executive directors.

** for identification purpose only*