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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)**

**JOINT ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTION OF WOG AND WYT**  
**IN RELATION TO**  
**SUBSCRIPTION OF INTEREST IN FUNDS**

**THE SUBSCRIPTION**

On 19 July 2021 (after trading hours), the Subscribers, which are respectively indirect wholly-owned subsidiaries of WOG and WYT, received confirmation from their brokers in relation to their respective Subscription of interests in the Access Funds for an aggregate subscription amount of US\$15.5 million (equivalent to approximately HK\$120.9 million), before fees and expenses. The Access Funds facilitate the Subscribers to invest indirectly in the BREIT.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but all applicable ratios are less than 25% for each of WOG and WYT, the Subscription constitutes a discloseable transaction of each of WOG and WYT under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## THE SUBSCRIPTION

On 19 July 2021 (after trading hours), the Subscribers, which are respectively indirect wholly-owned subsidiaries of WOG and WYT, received confirmation from their brokers in relation to their respective Subscription of interests in the Access Funds for an aggregate subscription amount of US\$15.5 million (equivalent to approximately HK\$120.9 million), before fees and expenses. Details of the Subscription and the underlying investment are summarised as follows:—

<b>Date:</b>	19 July 2021
<b>Subscribers:</b>	(i) Mailful Investments  (ii) Suntech Investments
<b>Name of the Access Funds:</b>	Access Fund A: Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC  Access Fund B: CS Blackstone REIT Access Fund SPC
<b>Subject matter underlying the Subscription:</b>	<p>Each of Mailful Investments and Suntech Investments will subscribe for Class A shares in Access Fund A for a subscription amount of US\$4.0 million (equivalent to approximately HK\$31.2 million) and US\$7.5 million (equivalent to approximately HK\$58.5 million) respectively.</p> <p>Mailful Investments will also subscribe for Class A shares in Access Fund B for the subscription amount of US\$4.0 million (equivalent to approximately HK\$31.2 million).</p> <p>The respective Subscription amounts by Mailful Investments and Suntech Investments, together with other incidental fees and expenses of about US\$66,000 (equivalent to approximately HK\$0.5 million), will be settled in cash in one lump sum by internal resources of the WOG Group and the WYT Group, respectively.</p>

The Access Funds will invest substantially all of their assets in shares of the BREIT, thereby facilitating investors who are not based in the United States (including the Subscribers) to be able to access the BREIT whose operations are U.S.-based. Compared to investing directly into the BREIT, the Subscription through the Access Funds (which are offshore vehicles) will provide more streamlined taxation and associated reporting process for the WOG Group and the WYT Group.

For the years ended 31 December 2019 and 2020, the BREIT recorded net loss attributable to the BREIT stockholders of approximately US\$401.8 million (equivalent to approximately HK\$3,133.4 million) and approximately US\$853.4 million (equivalent to approximately HK\$6,655.2 million), respectively. These amounts included the expenses of real estate depreciation and amortization arrived at in accordance with the Generally Accepted Accounting Principles (GAAP), which amounted to US\$824.0 million and US\$1.4 billion for the years ended 31 December 2019 and 2020, respectively. The BREIT's funds available for distribution for the same periods amounted to US\$409.4 million and US\$743.7 million, respectively.

For the year ended 31 December 2020, the BREIT declared a total monthly net distributions US\$948.0 million resulting in average annualized distribution rates (calculated by reference to the current month's distribution annualized and divided by the prior month's net asset value, inclusive of all fees and expenses) at a range from 4.9% to 5.8% for its different classes of shares in issue.

The BREIT also published its results of operations by reference to net operating income (“**NOI**”) from business operations under a “same property basis”. This approach excludes acquisitions during the periods under comparison, where properties in the BREIT's portfolio are considered “same property” if they were owned for the full periods being compared; and recent developed properties that have not

achieved 90% occupancy (other than hotels), properties held for sale, and the BREIT's investments in real estate debt segment are not considered as the "same property" for this purpose. On this basis, the BREIT's "same property NOI" for the years ended 31 December 2019 and 2020 amounted to approximately US\$615.6 million (equivalent to approximately HK\$4,800.8 million) and approximately US\$521.0 million (equivalent to approximately HK\$4,063.0 million), respectively.

**Repurchases:**

Access Fund A may accept requests for repurchases monthly at the NAV per share as of the last calendar day of the preceding month provided that redemption requests are made at least eight business days before the last calendar day of the applicable month.

Access Fund B may accept requests for repurchases monthly upon receipt of repurchase requests given not less than seven business days prior to the applicable repurchase date at the price equal to the preceding month's NAV of its shares.

Repurchases by the Access Funds are also dependent on repurchases of share by the BREIT, which may repurchase only some or none of its shares upon requests and, in any event, its repurchases are limited to to 2% of its aggregate NAV per month and 5% of its aggregate NAV per calendar quarter (including repurchases at the Access Funds and similar access funds).

Shares in both Access Funds that are outstanding for less than one year will be repurchased at 95% of the then current transaction price.

**Managers:**

The BREIT is managed by BX REIT Advisors L.L.C.

Access Fund A is managed by iCapital Advisors, LLC and Access Fund B is managed by Credit Suisse AG.

**Management Fees:**

The BREIT Manager charges management fees (which is payable monthly) at 1.25% per annum by reference to BREIT's NAV. It will also receive a performance participation interest calculated as 12.5% of the annual total return subject to a 5% annual hurdle amount and a high-water mark with a catch-up.

Fund Manager A separately charges administrative fees that are collected monthly in arrears at 0.7% per annum on the NAV of the shareholder's investment, on top of other expenses such as audit, administration, tax, legal and organizational costs.

Fund Manager B charges investment management fees at 0.7% per annum on the NAV of the shareholder's investment, which are accrued monthly and payable quarterly in arrears.

**Distributions:**

Access Fund A is anticipated to make distributions monthly to its shareholders on a pro rata basis by reference to their respective NAV per share. Shareholders are allowed to reinvest their distributions in the Access Fund A, which will subsequently reinvest in the BREIT.

Distributions received by Access Fund B from the BREIT, if any, will generally be distributed to the fund's shareholders of the relevant share class monthly, subject to reasonable reserves for the payment of a pro rata portion of Access Fund B's expenses and other obligations (including income taxes), as well as allocation of any required tax withholdings.

## **INFORMATION ON THE BREIT, THE ACCESS FUNDS, THE BREIT MANAGER AND THE FUND MANAGERS**

Based on information available to the WOG Directors and the WYT Directors:

### **The BREIT**

- (a) The BREIT (Blackstone Real Estate Income Trust) is a non-listed, perpetual-life real estate investment trust that was established in 2017. It invests primarily in stabilized, income-generating U.S. commercial real estate. It follows an investment guideline of having at least 80% of its portfolio in real estate investments and up to 20% in real estate debt investments, cash and/or cash equivalents. It is managed by BX REIT Advisors L.L.C., an affiliate of the real estate group of The Blackstone Group Inc., which serves as the sponsor of the BREIT. The Blackstone Group Inc. is an American alternative investment management company based in New York whose shares are listed and traded on the New York Stock Exchange (NYSE: BX).
- (b) As of 31 May 2021, the BREIT has a portfolio of 1,456 properties at an occupancy rate of 94%, with a total asset value of US\$48.4 billion and a NAV of US\$29.0 billion.

### **The Access Funds**

- (c) The Access Funds are Cayman Islands segregated portfolio companies which facilitates non-United States based investors to invest indirectly in the BREIT;
- (d) Access Fund A is managed by iCapital Advisors, LLC, a subsidiary of Institutional Capital Network, Inc., an investment adviser registered with the U.S. Securities and Exchange Commission; and
- (e) Access Fund B was established in 2019 and is managed by Credit Suisse AG, a company incorporated in Switzerland with limited liability and a licensed bank registered with the Hong Kong Monetary Authority.

To the best of the WOG Directors' knowledge, information and belief having made all reasonable enquiry, each of the Access Funds, the BREIT, the BREIT Manager, the Fund Managers and their ultimate beneficial owners are third parties independent of WOG and its connected person(s).

To the best of the WYT Directors' knowledge, information and belief having made all reasonable enquiry, each of the Access Funds, the BREIT, the BREIT Manager, the Fund Managers and their ultimate beneficial owners are third parties independent of WYT and its connected person(s).

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Subscription is undertaken with a view to ultimately invest in the BREIT. The investment in the BREIT through the Access Funds allows the WOG Group and the WYT Group to access the American property market (which the respective management of WOG and WYT believes will continue to benefit from the current low-interest rate environment) without having to commit substantial management time and resources, and represents part of the WOG Group and the WYT Group's effort in managing their respective surplus liquidity in the ordinary course of business. Having reviewed BREIT's property portfolio, historical distribution record, and the related management fees and other costs incidental to the investment, the WOG Directors and the WYT Directors consider the Subscription to be an attractive opportunity for the WOG Group and the WYT Group to diversify their investment portfolio with assets outside of the Asia-Pacific region.

Taking into account the above, (i) the WOG Directors (including the independent non-executive WOG Directors) consider that the terms of the Subscription by the Subscribers to be fair and reasonable, and that the Subscription is in the interests of WOG and the WOG Shareholders as a whole; (ii) the WYT Directors (including the independent non-executive WYT Directors) consider that the terms of the Subscription by Suntech Investments to be fair and reasonable, and that the Subscription is in the interests of WYT and the WYT Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE SUBSCRIBERS**

### **The WOG Group and Mailful Investments**

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 and property development in Hong Kong through Wang On Properties Limited (Stock Code: 1243), its 75%-owned listed subsidiary; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, its 65.79%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited, a 53.37%-owned listed subsidiary of WYT.

Mailful Investments is principally engaged in investment holding.

## **The WYT Group and Suntech Investments**

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 China Agri-Products Exchange Limited, its 53.37%-owned listed subsidiary.

Suntech Investments is principally engaged in investment holding.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but all applicable ratios are less than 25% for each of WOG and WYT, the Subscription constitutes a discloseable transaction of each of WOG and WYT under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Access Funds”	Access Fund A and Access Fund B
“Access Fund A”	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC, a Cayman Islands segregated portfolio company
“Access Fund B”	CS Blackstone REIT Access Fund SPC, a Cayman Islands segregated portfolio company
“BREIT”	Blackstone Real Estate Income Trust, a non-listed, perpetual-life real estate investment trust
“BREIT Manager”	BX REIT Advisors L.L.C.



“connected person”	has the meaning ascribed to it under the Listing Rules
“Fund Managers”	Fund Manager A and Fund Manager B
“Fund Manager A”	iCapital Advisors, LLC
“Fund Manager B”	Credit Suisse AG
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mailful Investments”	Mailful Investments Limited, an indirect wholly-owned subsidiary of WOG and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“NAV”	net asset value
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of shares in the Access Funds by the respective Subscribers for a total subscription amount of US\$15.5 million as described in this announcement
“Subscribers”	Mailful Investments and Suntech Investments
“Suntech Investments”	Suntech Investments Limited, an indirect wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“US\$”	United States Dollar, the lawful currency of the United States

“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors
“WOG Directors”	the directors of WOG
“WOG Group”	WOG and its subsidiaries
“WOG Shares”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WOG
“WOG Shareholder(s)”	holder(s) of the WOG Shares
“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)
“WYT Board”	the board of the WYT Directors
“WYT Directors”	the directors of WYT
“WYT Group”	WYT and its subsidiaries
“WYT Shares”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WYT
“WYT Shareholder(s)”	holder(s) of the WYT Shares
“%”	per cent.

*For the purpose of this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.7985. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or US\$ have been, could have been or may be converted at such or any other rate or at all.*

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*

Hong Kong, 19 July 2021

*As at the date of this joint announcement, the WOG Board 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 WYT Board 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.*

*\*for identification purpose only*