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**WANG ON GROUP LIMITED**  
**( 宏 安 集 團 有 限 公 司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**ANNOUNCEMENT**  
**DISCLOSEABLE TRANSACTION**

The Group further acquired on-market the Additional Acquired Shares in a series of transactions conducted between 29 November 2011 and 1 December 2011 for an aggregate purchase price of approximately HK\$13.32 million (exclusive of transaction costs). Upon completion of the Further Acquisitions, the Group holds 473,602,034 WYT Shares, representing approximately 23.26% of the entire issued share capital of WYT, and WYT has become an associate of the Group.

The Further Acquisitions (in aggregate) constituted a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

Reference is made to the Announcement dated 28 November 2011 in relation to the Acquisitions.

**THE FURTHER ACQUISITIONS**

The Board announces that the Company, through its wholly-owned subsidiary, further acquired on-market the Additional Acquired Shares (i.e. an aggregate of 100,800,000 WYT Shares, representing approximately 4.95% of the entire issued share capital of WYT as at the date of this announcement), in a series of transactions conducted between 29 November 2011 and 1 December 2011, at the price between HK\$0.128 per WYT Share and HK\$0.137 per WYT Share (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Further Acquisitions was approximately HK\$0.132 per WYT Share and the aggregate purchase price (exclusive of transaction costs) is approximately HK\$13.32 million, which was paid/payable by the Company in cash. The purchase price paid by the Company represented the then market price of the WYT Shares and was paid/payable from the Group's internal resources.

As the Further Acquisitions were made through the market, the Company was not aware of the identities of the sellers of the Additional Acquired Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the Additional Acquired Shares are Independent Third Parties.

\* *For identification purpose only*

## ACQUISITIONS AND DISPOSALS OF WYT SHARES IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Save for the acquisitions as disclosed in the Announcement and this announcement, the Group did not acquire or dispose of any WYT Shares within the period of 12 months immediately preceding the date of this announcement.

### INFORMATION ON WYT

WYT is an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 897). The WYT Group is principally engaged in (i) manufacturing, processing and retailing of traditional Chinese medicine, which includes Chinese medicinal products sold under the brand name of “Wai Yuen Tong” and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; and (ii) processing and retailing of western pharmaceutical products and health care products under the brand names of “Madame Pearl’s” and “Pearl’s”, respectively.

Based on the interim results of WYT as announced on 16 November 2011, as at 30 September 2011, WYT had unaudited consolidated net asset value of approximately HK\$1.45 billion, unaudited consolidated total assets of approximately HK\$1.72 billion and unaudited consolidated total liabilities of approximately HK\$0.27 billion.

The following information is extracted respectively from the unaudited interim results of WYT as announced on 16 November 2011 and the audited financial statements for two financial years ended 31 March 2011 of WYT:

	<b>For the six months ended 30 September 2011 HK\$'million (unaudited)</b>	<b>For the year ended 31 March</b>	
		<b>2011 HK\$'million (audited)</b>	<b>2010 HK\$'million (audited)</b>
Revenue	<b>330.8</b>	639.5	529.3
Profit/(loss) before taxation	<b>(127.9)</b>	125.6	47.9
Net profit/(loss) after taxation attributable to owners of WYT	<b>(134.8)</b>	99.1	45.8
Dividends	—	6.1	—

### REASONS FOR THE FURTHER ACQUISITIONS

The Group is principally engaged in property investment and development in Hong Kong, management and sub-licensing of wet markets in Hong Kong and the PRC, management and sub-licensing shopping centres and management of agricultural by-products wholesaling business in Hong Kong.

The Directors (including the independent non-executive Directors) are of the view that WYT has good investment potentials given that the growing awareness of health care by the public makes the WYT Group enjoy a stable growth in its operations year by year. Furthermore, WYT Group continues to enhance its competitive edges by expanding its networks in both Hong Kong and the PRC and strengthening its product range and quality control. In addition, as the Further Acquisitions were made at market price, the Directors (including the independent non-executive Directors) consider that the Further Acquisitions (including the purchase price) were fair and reasonable and in the interests of the Shareholders as a whole.

## **FINANCIAL EFFECTS ON THE GROUP**

Prior to the Further Acquisitions, the Group holds an aggregate of 372,802,034 WYT Shares, representing approximately 18.31% of the entire issued share capital of WYT as at the date of this announcement. Upon completion of the Further Acquisitions and as at the date of this announcement, the Group holds 473,602,034 WYT Shares, representing approximately 23.26% of the entire issued share capital of WYT, and WYT has become an associate of the Group.

The WYT Shares held by the Group will be recorded in the consolidated financial statements of the Group using the equity method of accounting in accordance with Hong Kong Financial Reporting Standards. The shareholding interest in WYT will be classified as “investment in an associate” on the consolidated statement of financial position, and any post-acquisition results and reserves of WYT attributable to the Group will be included in profit or loss and other comprehensive income, respectively, in the consolidated statement of comprehensive income of the Group.

Upon completion of the Further Acquisitions, the Group expects to record a gain on acquisition (in respect of the aggregate of 473,602,034 WYT Shares held by it as of the date of this announcement) of approximately HK\$219.2 million (before deduction of estimated and necessary expenses and being the excess of the Group’s interest in the net tangible assets attributable to the owners of WYT over the aggregate costs of acquisition) calculated with reference to the unaudited consolidated financial statements of WYT for the six months ended 30 September 2011. Shareholders should note that the actual gain on acquisition of WYT Shares to be recorded by the Group for the financial year ending 31 March 2012 will be subject to the Group’s then shareholding interest in WYT, the fair value assessment at the date when WYT became an associate of the Group and the review by the Group’s auditors upon finalisation of the consolidated financial statements of the Group for the year ending 31 March 2012.

## **GENERAL**

Based on the “five-tests” calculation set out in rule 14.07 of the Listing Rules, each of the Further Acquisitions individually did not exceed 5% of any of the applicable percentage ratios. When aggregated together, the Further Acquisitions constituted a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

## DEFINITIONS

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

“Acquisitions”	the acquisition of 186,540,000 WYT Shares by the Group during the period between 17 November 2011 and 28 November 2011, details of which were disclosed in the Announcement
“Additional Acquired Shares”	an aggregate of 100,800,000 WYT Shares
“Announcement”	the announcement of the Company dated 28 November 2011 in relation to the Acquisitions
“Board”	the board of the Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Further Acquisitions”	the acquisition of the Additional Acquired Shares by the Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and connected persons of the Company
“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 announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

\* For identification purpose only

“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司 <sup>*</sup> ), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 897)
“WYT Group”	WYT and its subsidiaries
“WYT Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of WYT
“%”	per cent.

By Order of the Board  
**Wang On Group Limited**  
(宏安集團有限公司)<sup>\*</sup>  
**Chan Chun Hong, Thomas**  
*Managing Director*

Hong Kong, 1 December 2011

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.*

<sup>\*</sup> *For identification purpose only*