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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 23 and 25 January 2013 for an aggregate purchase price of approximately HK\$11.4 million (exclusive of transaction costs). Upon completion of the Further Acquisitions, the Group holds 629,042,034 WYT Shares, representing approximately 25.75% of the entire issued share capital of WYT.

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 22 January 2013 in relation to the Acquisitions.

THE FURTHER ACQUISITIONS

The Board announces that the Company, through its indirect wholly-owned subsidiary, namely Rich Time, further acquired on-market the Additional Acquired Shares, representing approximately 2.46% of the entire issued share capital of WYT as at the date of this announcement, in a series of transactions conducted between 23 and 25 January 2013 at the price between HK\$0.180 per WYT Share and HK\$0.193 per WYT Share (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Further Acquisitions was approximately HK\$0.191 per WYT Share and the aggregate purchase price (exclusive of transaction costs) for the Further Acquisitions is approximately HK\$11.4 million, which was paid or payable by the Company in cash. The purchase price for the Additional Acquired Shares paid by the Company represented the then market price of the WYT Shares and was financed 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

Rich Time had disposed of 250,000,000 WYT Shares on 5 December 2012 and subscribed for 250,000,000 new WYT Shares on 11 December 2012 pursuant to a top-up placing and subscription agreement entered into between Rich Time, WYT and Kingston Securities Limited (the placing agent) on 30 November 2012.

Rich Time had acquired on-market an aggregate of 60,000,000 WYT Shares in a series of transactions conducted between 21 and 22 January 2013.

Save as disclosed above and the Further Acquisitions, 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 WYT Shares 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; (ii) processing and retailing of western pharmaceutical, health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”, respectively; and (iii) property investment.

Based on the unaudited interim results of WYT as announced on 14 November 2012, as at 30 September 2012, WYT had unaudited consolidated net assets attributable to owners of WYT of approximately HK\$1.41 billion, unaudited consolidated total assets of approximately HK\$1.68 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 14 November 2012 and the audited financial statements for two financial years ended 31 March 2012 of WYT:

	For the six months ended 30 September 2012 HK\$'million (unaudited)	For the year ended 31 March	
		2012 HK\$'million (audited)	2011 HK\$'million (audited)
Revenue	365.7	752.1	639.5
Profit/(loss) before taxation	38.1	(213.9)	125.6
Net profit/(loss) after taxation attributable to owners of WYT	33.7	(226.9)	99.1
Dividends	—	—	6.1

REASONS OF THE FURTHER ACQUISITIONS

The Group is principally engaged in property investment and development in Hong Kong and management and sub-licensing of Chinese wet markets in Hong Kong and the PRC.

As disclosed in the Announcement, after WYT's top-up placing and subscription completed on 11 December 2012 and the new issue placing completed on 7 January 2013, the Group's interest in WYT was diluted. 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 has made the WYT Group enjoy a stable growth in its operations year by year. Furthermore, the WYT Group continues to enhance its competitive edges by expanding its networks in both Hong Kong and the PRC, expanding its manufacturing facilities 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 OF THE FURTHER ACQUISITIONS

Prior to the Further Acquisitions, the Group held an aggregate of 569,042,034 WYT Shares, representing approximately 23.29% 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 629,042,034 WYT Shares, representing approximately 25.75% of the entire issued share capital of WYT as at the date of this announcement.

The Group's investment in WYT will continue to be recorded in the consolidated financial statements of the Group using the equity method of accounting in accordance with Hong Kong Accounting Standard 28 *Investments in Associates*. 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 of the Additional Acquired Shares of approximately HK\$24.1 million (before deduction of estimated and necessary expenses and being the excess of the Group's interest in the net tangible assets attributable to owners of WYT in the Further Acquisitions over the aggregate costs of the Further Acquisitions), calculated with reference to the unaudited consolidated financial statements of WYT for the six months ended 30 September 2012 and adjusted for completion of the aforesaid top-up placing and the new issue placing. When aggregated, the gain on acquisition of the Aggregated Acquired Shares amounts to approximately HK\$47.9 million. Shareholders should note that the actual gain on acquisition of the Aggregated Acquired Shares to be recorded by the Group for the financial year ending 31 March 2013 will be subject to the Group's then shareholding interest in WYT and the review by the Group's auditors upon finalisation of the consolidated financial statements of the Group for the year ending 31 March 2013.

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 constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules and are subject to reporting and announcement requirements only.

DEFINITIONS

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

“Acquisitions”	the acquisition of 60,000,000 WYT Shares by the Group during the period between 21 and 22 January 2013, details of which were disclosed in the Announcement
“Additional Acquired Shares”	an aggregate of 60,000,000 WYT Shares acquired under the Further Acquisitions
“Aggregated Acquired Shares”	collectively, the 120,000,000 WYT Shares acquired under the Acquisitions and the Further Acquisitions
“Announcement”	the announcement of the Company dated 22 January 2013 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 (Stock Code: 1222)
“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(ies)”	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

* For identification purpose only

“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
“Rich Time”	Rich Time Strategy Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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 and the WYT Shares 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)*
Chan Chun Hong, Thomas
Managing Director

Hong Kong, 25 January 2013

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.

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