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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

UPDATES ON THE DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY

Reference is made to the First Joint Announcement in relation to the Disposal.

On 19 June 2023, pursuant to the Provisional Agreement, the Vendors entered into the Formal Agreement with the Substitute Purchasers, who were nominated by the Purchaser pursuant to the Nomination, in place of the Purchaser, pursuant to which: (a) each of the Substitute Purchaser A and the Substitute Purchaser B has conditionally agreed to acquire one Sale Share, and the Vendors have conditionally agreed to sell one Sale Share to the Substitute Purchaser A and the Substitute Purchaser B, respectively; and (b) the Substitute Purchaser A and the Substitute Purchaser B have conditionally agreed to acquire, and the Vendor A, being the party which extended the Sale Loan to the Target Company, has conditionally agreed to assign the benefits of the amounts representing 55% and 45% of the Sale Loan, respectively, for the Consideration of HK\$71 million.

Pursuant to the Formal Agreement, the Vendors and the Substitute Purchasers agreed to deduct, among other things, from the balance of the Consideration payable upon the Completion a sum of HK\$1.38 million being the Security Money to settle the costs for carrying out the works and improvement works in accordance with the Property FSD as full and final settlement of all claims and demands by the Substitute Purchasers under the Formal Agreement against the Vendors in respect of the Property FSD and another sum of HK\$1.8 million being the Common Areas FSD Money in full and final settlement of all claims and demands by the Substitute Purchasers under the Formal Agreement against the Vendors in respect of the Common Areas FSD.

Completion has taken place instantaneously after signing of the Formal Agreement by the Vendors and the Substitute Purchasers on 19 June 2023.

LISTING RULES IMPLICATION

This joint announcement is made pursuant to Rule 14.36 of the Listing Rules as the substitution of the Substitute Purchasers for the Purchaser and the FS Directions Arrangements constitute material variations to the terms and conditions of the Disposal.

Reference is made to the First Joint Announcement in relation to the Disposal. Unless otherwise defined in this joint announcement, capitalized terms used in this joint announcement shall have the same meanings as those defined in the First Joint Announcement.

On 19 June 2023, pursuant to the Provisional Agreement, the Vendors entered into the Formal Agreement with the Substitute Purchasers, who were nominated by the Purchaser pursuant to the Nomination, in place of the Purchaser, pursuant to which: (a) each of the Substitute Purchaser A and the Substitute Purchaser B has conditionally agreed to acquire one Sale Share, and the Vendors have conditionally agreed to sell one Sale Share to the Substitute Purchaser A and the Substitute Purchaser B, respectively; and (b) the Substitute Purchaser A and the Substitute Purchaser B have conditionally agreed to acquire, and the Vendor A, being the party which extended the Sale Loan to the Target Company, has conditionally agreed to assign the benefits of the amounts representing 55% and 45% of the Sale Loan, respectively, for the Consideration of HK\$71 million.

Pursuant to the Formal Agreement, the Vendors and the Substitute Purchasers agreed to deduct, among other things, from the balance of the Consideration payable upon the Completion:

- (a) a sum of HK\$1.38 million being the Security Money to settle the costs for carrying out the works and improvement works in accordance with the Property FSD as full and final settlement of all claims and demands by the Substitute Purchasers under the Formal Agreement against the Vendors in respect of the Property FSD. The Security Money will be paid by the Substitute Purchasers to the Vendors' solicitors as stakeholder and will be applied to settle the costs for carrying out the works and improvement works by an independent contractor jointly selected by the Vendors and the Substitute Purchasers and engaged by the Substitute Purchasers. If the independent contractor has completed the works and improvement works or is unable to complete such works and improvement works on or before 30 September 2023, any remaining balance of the Security Money shall belong to the Vendors and released by the Vendors' solicitors to the Vendor A; and
- (b) another sum of HK\$1.8 million being the Common Areas FSD Money in full and final settlement of all claims and demands by the Substitute Purchasers under the Formal Agreement against the Vendors in respect of the Common Areas FSD. The Common Areas FSD Money will be paid by the Substitute Purchasers in favour of the Substitute Purchaser A and the Vendors shall not be responsible for carrying out any works or improvement works for compliance with the Common Areas FSD.

(collectively, the “**FS Directions Arrangements**”)

Completion has taken place instantaneously after signing of the Formal Agreement by the Vendors and the Substitute Purchasers on 19 June 2023.

Prior to signing of the Formal Agreement by the Vendors and the Substitute Purchasers, pursuant to the Provisional Agreement, a sum of HK\$5.1 million being balance of the deposit was paid by the Purchaser, as agent for the Substitute Purchasers, by the solicitors' cheque drawn by the Purchaser's solicitors to the Vendors' solicitors as stakeholder on 15 February 2023. As confirmed by the Purchaser in the Nomination, the sum of HK\$2 million being part of the deposit paid upon signing of the Provisional Agreement was paid by the Purchaser as agent for the Substitute Purchasers.

Save and except for the substitution of the Purchaser by the Substitute Purchasers and the FS Directions Arrangements, all principal terms and conditions of the Provisional Agreement disclosed in the First Joint Announcement, which have been incorporated into the Formal Agreement, remain unchanged and there is no other material change to the principal terms and conditions of the Disposal.

INFORMATION ON THE SUBSTITUTE PURCHASERS

Each of the Substitute Purchaser A and the Substitute Purchaser B is an individual and is a merchant.

As at the date of this joint announcement, to the best knowledge, information and belief of the WOG Directors and the WYT Directors, having made all reasonable enquiries, the Substitute Purchasers are Independent Third Parties.

LISTING RULES IMPLICATION

This joint announcement is made pursuant to Rule 14.36 of the Listing Rules as the substitution of the Substitute Purchasers for the Purchaser and the FS Directions Arrangements constitute material variations to the terms of the Disposal.

Save as disclosed above, all information and contents stated in the First Joint Announcement remain unchanged. This joint announcement is an update of and should be read in conjunction with the First Joint Announcement.

DEFINITIONS

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

“Common Areas FSD”	Fire safety directions issued by the Fire Services Department of Hong Kong and the Buildings Department of Hong Kong both dated 16 May 2023 whereby certain works and improvement works are required to be carried out at the common areas of the building in which the Property is situated
“Common Areas FSD Money”	a sum of HK\$1.8 million deducted from the balance of the Consideration payable upon the Completion and paid by the Substitute Purchasers in favour of the Substitute Purchaser A in full and final settlement of all claims and demands by the Substitute Purchasers under the Formal Agreement against the Vendors in respect of the Common Areas FSD
“First Joint Announcement”	the joint announcement of WOG and WYT dated 6 February 2023 in relation to the disposal of the Sale Shares and assignment of the Sale Loan by the Vendors to the Purchaser
“Formal Agreement”	the formal agreement dated 19 June 2023 entered into between the Vendors and the Substitute Purchasers in relation to the Disposal
“Nomination”	the nomination dated 17 June 2023 executed by the Purchaser whereby the Purchaser nominated each of the Substitute Purchaser A and the Substitute Purchaser B to acquire one Sale Share and to acquire the benefit of 55% and 45% of the Sale Loan, respectively
“Property FSD”	Fire safety directions issued by the Fire Services Department of Hong Kong and the Buildings Department of Hong Kong both dated 16 May 2023 whereby certain works and improvement works are required to be carried out in the Property
“Sale Share”	each of the Sale Shares

“Security Money”	a sum of HK\$1.38 million deducted from the balance of the Consideration payable upon the Completion as full and final settlement of all claims and demands by the Substitute Purchasers under the Formal Agreement against the Vendors in respect of the Property FSD and paid by the Substitute Purchasers to the Vendors’ solicitors as stakeholder for settlement of the costs for carrying out the works and improvement works in accordance with the Property FSD
“Substitute Purchasers”	Substitute Purchaser A and Substitute Purchaser B
“Substitute Purchaser A”	Lo Yan Tik, an individual
“Substitute Purchaser B”	Chen Ling, an individual

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 June 2023

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

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*