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**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 GROUP LIMITED
(宏安集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)

- (1) PROPOSED CAPITAL REORGANISATION INVOLVING SHARE CONSOLIDATION AND CAPITAL REDUCTION;**
(2) CHANGE IN BOARD LOT SIZE;
(3) PROPOSED RIGHTS ISSUE IN THE PROPORTION OF FIVE (5) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD ON THE RECORD DATE AND TIME AT HK\$0.207 PER RIGHTS SHARE (WITH BONUS ISSUE IN THE PROPORTION OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) RIGHTS SHARES TAKEN UP UNDER THE RIGHTS ISSUE);
(4) MAJOR TRANSACTION - ACQUISITION OF THE ENTIRE INTERESTS OF FIVE COMPANIES AND ENTERING INTO A DEED OF GUARANTEE;
AND
(5) RESUMPTION OF TRADING
- DISCLOSEABLE TRANSACTIONS -**
(1) IRREVOCABLE UNDERTAKING OF AND FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT AND APPLICATION FOR EXCESS RIGHTS SHARES UNDER THE RIGHTS ISSUE OF WAI YUEN TONG MEDICINE HOLDINGS LIMITED;
AND
(2) DISPOSAL OF THE ENTIRE INTERESTS IN FIVE SUBSIDIARIES AND ENTERING INTO A DEED OF GUARANTEE

**Financial adviser to
Wai Yuen Tong Medicine Holdings Limited**



KINGSTON CORPORATE FINANCE LIMITED

Underwriter of the Rights Issue



KINGSTON SECURITIES LIMITED

* For identification purpose only

PROPOSED CAPITAL REORGANISATION

The WYT Board proposes to put forward to the Shareholders a proposal to effect the Capital Reorganisation which will comprise:—

- (i) the proposed Share Consolidation whereby every 25 Shares of par value of HK\$0.01 each in the issued share capital of WYT will be consolidated into one Consolidated Share of par value of HK\$0.25 each;
- (ii) the proposed Capital Reduction whereby (a) the par value of all the issued Consolidated Shares shall be reduced from HK\$0.25 each to HK\$0.01 each and the issued share capital of WYT shall accordingly be reduced to the extent of HK\$0.24 per Consolidated Share in issue and (b) any fractional Consolidated Shares in the issued share capital of WYT arising from the Share Consolidation shall be reduced and cancelled; and
- (iii) applying the credit arising from the Capital Reduction to set off the accumulated loss of WYT.

The Capital Reorganisation is conditional upon the conditions set out in the paragraph headed “Conditions of the Capital Reorganisation” in this announcement.

CHANGE IN BOARD LOT SIZE

As a result of the Capital Reorganisation, the board lot size of the Shares for trading on the Stock Exchange will temporarily decrease from 6,000 Shares to 240 Adjusted Shares. The WYT Board announces that the board lot size of the Adjusted Shares will be changed from 240 Adjusted Shares to 10,000 Adjusted Shares after the Capital Reorganisation becomes effective.

Shareholders may submit their existing share certificates in board lots of 6,000 Shares each to the Registrar in exchange for new share certificates in board lots of 10,000 Adjusted Shares each free of charge during business hours from Wednesday, 22 September 2010 to Monday, 1 November 2010 (both dates inclusive).

PROPOSED RIGHTS ISSUE WITH BONUS ISSUE

Upon the Capital Reorganisation becoming effective, WYT proposes to raise gross proceeds of not less than approximately HK\$301.06 million and not more than approximately HK\$301.98 million before expenses, by way of Rights Issue of not less than 1,454,387,835 Rights Shares and not more than 1,458,861,835 Rights Shares at the Subscription Price of HK\$0.207 per Rights Share, on the basis of five (5) Rights Shares for every one (1) Adjusted Share held on the Record Date and Time.

Subject to the satisfaction of the conditions of the Rights Issue, the Bonus Shares will be issued to the First Registered Holders of the Rights Shares on the basis of one (1) Bonus Share for every five (5) Rights Shares taken up under the Rights Issue. On the basis of not less than 1,454,387,835 Rights Shares and not more than 1,458,861,835 Rights Shares to be issued under the Rights Issue, not less than 290,877,567 Bonus Shares (assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued) and not more than 291,772,367 Bonus Shares will be issued.

The estimated net proceeds of the Rights Issue will be not less than approximately HK\$292.04 million and not more than approximately HK\$292.95 million and are intended to be used for the following purposes: (a) the repayment of WYT's borrowings, (b) the expansion of WYT Group's Chinese and Western health food and pharmaceutical business (including, if and when attractive opportunities arise, the acquisition of appropriate retail premises or office premises in Hong Kong, PRC or elsewhere), (c) the Acquisition, and (d) possible investment opportunities in the future and as general working capital. As at the date of this announcement, no investments targets were identified by the WYT Group.

DISCLOSEABLE TRANSACTION - IRREVOCABLE UNDERTAKING OF AND FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT AND APPLICATION FOR EXCESS RIGHTS SHARES UNDER THE RIGHTS ISSUE

As at the date of this announcement, Rich Time, an indirect wholly-owned subsidiary of Wang On, is interested in 527,009,324 Shares in aggregate, representing approximately 7.25% of the existing issued share capital of WYT. Rich Time has given an Irrevocable Undertaking, in favour of WYT and the Underwriter, among other things, that (1) it will subscribe for 105,401,860 Rights Shares (with Bonus Shares) which it will be entitled to pursuant to the terms of the Rights Issue; (2) the Shares or the Adjusted Shares (as the case may be) comprising its current shareholding will remain registered in its name at the

Record Date and Time as they are on the date of the Irrevocable Undertaking; (3) it will procure that the applications in respect of the 105,401,860 Rights Shares (with Bonus Shares) comprising its entitlements under the Rights Issue will be lodged with the Registrar, with payment in full therefor in cash, by no later than 4:00 p.m. at the Latest Time for Acceptance and otherwise in accordance with the instructions printed on the PAL(s); and (4) it will apply, by way of excess application, for an additional 380,000,000 Rights Shares (with Bonus Shares) that are not taken up by the Qualifying Shareholders under the Rights Issue.

Assuming: (1) Rich Time subscribes for its respective provisional entitlements under the Rights Issue in full in accordance with the Irrevocable Undertaking; and (2) not all Qualifying Shareholders (other than Rich Time) take up the Rights Shares to which they are entitled by the Latest Time for Acceptance and otherwise in accordance with the instructions set out on the PAL(s) and Rich Time subscribes for 380,000,000 excess Rights Shares pursuant to the Irrevocable Undertaking; and (3) all outstanding Share Options are exercised in full by the Record Date and Time, the direct and indirect interests of Rich Time in the share capital of WYT immediately upon completion of the Rights Issue and Bonus Issue will increase from approximately 7.25% to not more than 29.55%.

The subscription in full for Rich Time's entitlement under the Rights Issue and the fulfillment of Irrevocable Undertaking exceeds 5% but is less than 25% of certain applicable percentage ratios and therefore constitutes a discloseable transaction of Wang On Group under Chapter 14 of the Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed "Conditions of the Rights Issue and the Bonus Issue" in this announcement. In particular, the Rights Issue is conditional, among others, upon:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in, the Rights Shares in nil-paid and fully-paid forms prior to Friday, 8 October 2010, being the expected date of commencement of dealings in the Rights Shares in nil-paid form (or such other date as may be agreed between WYT and the Underwriter); and**

(ii) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms (set out in the section headed “Termination of the Underwriting Agreement” in this announcement).

If the conditions of the Rights Issue are not fulfilled or if the Underwriter exercises its right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

Any persons contemplating buying or selling Shares or Adjusted Shares (as the case may be) from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Friday, 8 October 2010 to Friday, 15 October 2010 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or Adjusted Shares (as the case may be) or nil-paid Rights Shares are recommended to consult their own professional advisers.

THE SALE AND PURCHASE AGREEMENT AND THE DEED OF GUARANTEE

On 6 August 2010, Guidepost, a wholly-owned subsidiary of WYT, and East Run, a wholly-owned subsidiary of Wang On Group, entered into a Sale and Purchase Agreement pursuant to which, Guidepost agreed to acquire and East Run agreed to dispose of the entire issued share capital and the shareholder loans of each of the Target Companies at an aggregate consideration consisting of: (i) an Initial Consideration in the sum of HK\$114,300,000 paid by Guidepost to East Run on the Completion Date (unless East Run and Guidepost agree in writing on an alternative time); and (ii) an adjustment amount adjusting the Initial Consideration which is based on the Completion Accounts prepared by accountants duly appointed by Guidepost within one (1) month following the Completion Date. The consideration will be satisfied in cash on completion of the Sale and Purchase Agreement out of the proceeds from the Rights Issue. The net proceeds received by East Run as a result of the Disposal will be applied for property investment and property development business of Wang On Group.

As part of the consideration for the sale and purchase, Wang On, East Run and Guidepost also entered into a Deed of Guarantee dated 9 August 2010, pursuant to which Wang On unconditionally and irrevocably covenanted and guaranteed Guidepost the due and punctual performance, observance and compliance by East Run of each and every term, provision, condition, obligation, undertaking and agreement contained in the Sale and Purchase Agreement (as amended from time to time).

In respect of the Acquisition, since certain relevant percentage ratios (as defined under the Listing Rules) are greater than 25% but less than 100%, the Acquisition constitutes a major transaction of WYT and is subject to the announcement and shareholder's approval requirements under Chapter 14 of the Listing Rules.

In respect of the Disposal, since certain relevant percentage ratios (as defined under the Listing Rules) are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction of Wang On Group under Chapter 14 of the Listing Rules.

GENERAL

The Rights Issue and the Bonus Issue are subject to, among other things, the approval by the Independent Shareholders at the SGM. Pursuant to Rule 7.19(6) of the Listing Rules, any controlling Shareholder and their associates, or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the company and their respective associates will abstain from voting in favour of the resolutions relating to the Rights Issue and the Bonus Issue. As at the date of this announcement, there is no controlling Shareholder. Accordingly, Ms. Tang (should she exercise her Share Options and become a Shareholder before the SGM) and her associates shall abstain from voting in favour of the resolutions relating to the Rights Issue and the Bonus Issue.

In respect of the Acquisition, Wang On, being the ultimate holding company of the vendor, is indirectly interested in approximately 7.25% of the issued Shares as at the date of this announcement, and its associates are required to abstain from voting at the SGM on the resolution to approve the Acquisition.

WYT will establish an independent board committee to advise the Independent Shareholders as to whether the Rights Issue and the Bonus Issue are fair and reasonable and whether the Rights Issue and the Bonus Issue are in the interests of WYT and its Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. WYT will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders in these regards.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the proposed Capital Reorganisation, the Rights Issue together with the Bonus Issue and the Acquisition. A circular containing, among other things, (i) further details about the proposed Capital Reorganisation, change in board lot size, the Rights Issue together with the Bonus Issue and the Acquisition; (ii) a letter of recommendation from the independent board committee of WYT to the Independent Shareholders in respect of the Rights Issue (with Bonus Issue); (iii)

a letter of advice from the independent financial adviser to the independent board committee of WYT and the Independent Shareholders on the Rights Issue (with Bonus Issue); (iv) the accountant's report of the Target Companies; (v) unaudited proforma financial information of the enlarged WYT Group; (vi) the valuation report in relation to the Properties; and (vii) the notice convening the SGM, will be despatched to the Shareholders on or before 27 August 2010.

RESUMPTION OF TRADING

At the request of the WYT, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 6 August 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 10 August 2010.

PROPOSED CAPITAL REORGANISATION

The WYT Board proposes to put forward to the Shareholders a proposal to effect the Capital Reorganisation which will comprise:—

- (i) the proposed Share Consolidation whereby every 25 Shares of par value of HK\$0.01 each in the issued share capital of WYT will be consolidated into one Consolidated Share of par value of HK\$0.25 each;
- (ii) the proposed Capital Reduction whereby (a) the par value of all the issued Consolidated Shares shall be reduced from HK\$0.25 each to HK\$0.01 each and the issued share capital of WYT shall accordingly be reduced to the extent of HK\$0.24 per Consolidated Share in issue and (b) any fractional Consolidated Shares in the issued share capital of WYT arising from the Share Consolidation shall be reduced and cancelled; and
- (iii) applying the credit arising from the Capital Reduction to set off the accumulated loss of WYT.

Effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of WYT is HK\$600,000,000 divided into 60,000,000,000 Shares, of which 7,271,939,188 Shares are issued and credited as fully paid. Upon the proposed Share Consolidation becoming effective and based on the existing issued share capital, the issued share capital of WYT will be consolidated into 290,877,567.52 Consolidated Shares of par value of HK\$0.25 each.

Upon the Capital Reduction becoming effective, the par value of all the Consolidated Shares shall be reduced from HK\$0.25 each to HK\$0.01 each and the issued share

capital of WYT shall accordingly be reduced to the extent of HK\$0.24 per Consolidated Share in issue. Any fractional Consolidated Shares in the issued share capital of WYT arising from the Share Consolidation shall be reduced and cancelled. The resulting Adjusted Shares of par value of HK\$0.01 each will rank *pari passu* in all respects with each other in accordance with WYT's Bye-Laws. The authorised share capital of WYT will remain unchanged upon the Capital Reduction becoming effective, but the issued share capital will be reduced to approximately HK\$2,908,775.67 divided into 290,877,567 Adjusted Shares of par value of HK\$0.01 each.

Assuming that no further Shares will be issued or repurchased between the date of this announcement and the date on which Capital Reorganisation becomes effective, a credit of approximately HK\$69,810,616.21 will arise as a result of the Capital Reorganisation and will be applied to set off the accumulated loss of WYT.

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the WYT Group, nor will it alter the underlying assets, business, operations, management or financial position of the WYT Group or the interests of the Shareholders as a whole. The WYT Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of WYT and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that WYT is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of WYT or the repayment to the Shareholders of any unpaid capital of WYT nor will it result in any change in the relative rights of the Shareholders.

Reasons for the Capital Reorganisation

As a result of the Capital Reorganisation, WYT's share capital and reserves will more closely reflect the available net assets of WYT. In addition, the Capital Reorganisation will provide flexibility for equity fund raising of WYT in the future. The credit arising from the Capital Reduction will be applied to set off the accumulated loss of WYT.

In view of the above, the WYT Board considers that the Capital Reorganisation is in the interests of WYT and the Shareholders as a whole.

Outstanding Share Options

As at the date of this announcement, there are outstanding Share Options entitling the holders thereof to subscribe for 22,370,000 Shares. The exercise price and the number of Shares to be issued upon exercise of the Share Options may have to be

adjusted in accordance with the rules of the Share Option Scheme and in compliance with the Listing Rules and the relevant rules, guidance and listing decisions issued by the Stock Exchange. WYT will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the Share Options and will inform the holders of the Share Options of the adjustments, if any, accordingly. Further announcement will be made by WYT in respect of such adjustments as and when appropriate.

Save as the aforesaid, WYT has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Conditions of the Capital Reorganisation

The implementation of the Share Consolidation and Capital Reduction are inter-conditional with each other and the implementation of the Capital Reorganisation is conditional upon, among other things:

- (i) the passing of a special resolution to approve the Capital Reorganisation by the Shareholders at the SGM;
- (ii) compliance with Section 46(2) of the Companies Act to effect the Capital Reduction, which includes the publication of a notice in relation to the Capital Reduction in Bermuda in accordance with the Companies Act; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares.

Assuming the above conditions are fulfilled, it is expected that the Capital Reorganisation will become effective on the date of the SGM after the passing of the relevant resolution(s) approving the Capital Reorganisation. Subject to the passing of the requisite resolution(s) at the SGM approving the Capital Reorganisation, the Capital Reorganisation will comply with the laws of Bermuda.

Listing and Dealings

An application will be made by WYT to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Adjusted Shares.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions

between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Free exchange of Share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may submit certificates for the existing Shares, to the Registrar during the business hours from Wednesday, 22 September 2010 to Monday, 1 November 2010 (both dates inclusive) to exchange for the new certificates of the Adjusted Shares at the expenses of WYT. Thereafter, certificates for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each share certificate of the existing Shares submitted for cancellation or each new share certificate issued for the Adjusted Shares, whichever number of certificates cancelled or issued is higher. The existing certificates will be valid for trading and settlement up to 4:00 p.m. on Thursday, 28 October 2010, being the latest time for trading in board lot of 240 Adjusted Shares in the form of existing certificates (or such other date which will be announced by WYT) and will continue to be good evidence of legal title after the Capital Reorganisation has become effective and may be exchanged for certificates of the Adjusted Shares at any time in accordance with the foregoing.

CHANGE IN BOARD LOT SIZE

As a result of the Capital Reorganisation, the board lot size of the Shares for trading on the Stock Exchange will temporarily decrease from 6,000 Shares to 240 Adjusted Shares. The WYT Board announces that the board lot size of the Adjusted Shares will be changed from 240 Adjusted Shares to 10,000 Adjusted Shares after the Capital Reorganisation becomes effective.

Based on the closing price of HK\$0.049 per Share as quoted on the Stock Exchange on the Last Trading Day, the prevailing board lot value is HK\$294 in the board lot size of 6,000 Shares and, based on the theoretical adjusted closing price of the Adjusted Shares of HK\$1.225 per Adjusted Share with reference to the closing price of HK\$0.049 per Share on the Last Trading Day, the new estimated board lot value would be HK\$12,250 in the new board lot size of 10,000 Adjusted Shares. The Board believes that the enlarged board lot size will facilitate the trading of the Adjusted Shares following the Capital Reorganisation. The change in board lot size will not affect any of the Shareholders' rights.

As from Friday, 8 October 2010, any new share certificates will be issued in board lots of 10,000 Adjusted Shares each (except for odd lots or where the Registrar is otherwise instructed). The expected timetable for such change in board lot size is set out in the section entitled "Expected Timetable" in this announcement.

Shareholders may submit their existing share certificates in board lots of 6,000 Shares each to the Registrar in exchange for new share certificates in board lots of 10,000 Adjusted Shares each free of charge. The details about the free exchange of share certificates are set out in the subsection “Free Exchange of Share Certificates” under the section entitled “Proposed Capital Reorganisation” in this announcement.

In order to facilitate the trading of odd lots (if any) of the Adjusted Shares arising from the Capital Reorganisation and change in board lot size, a designated broker will be appointed to match the purchase and sale of odd lots of the Adjusted Shares at the relevant market price per Adjusted Share for the period from 9:30 a.m. on Friday, 8 October 2010 to 4:00 p.m. on Thursday, 28 October 2010 (both dates inclusive). Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the circular to be despatched to the Shareholders in relation to, inter alia, the Capital Reorganisation, the change in board lot size, the Rights Issue and the Bonus Issue.

PROPOSED RIGHTS ISSUE AND BONUS ISSUE

The Rights Issue and the Bonus Issue are proposed to take place after the Capital Reorganisation becoming effective.

Issue statistics

Basis of the Rights Issue	:	Five (5) Rights Shares for every One (1) Adjusted Share held on the Record Date and Time and payable in full on acceptance, together with one Bonus Share for every five Rights Shares taken up
Subscription price	:	HK\$0.207 per Rights Share
Number of Shares in issue as at the date of this announcement	:	7,271,939,188 Shares
Number of Adjusted Shares in issue upon the completion of the Capital Reorganisation	:	290,877,567 Adjusted Shares (assuming that no further Shares are issued or repurchased between the date of this announcement and the date on which the Capital Reorganisation becomes effective) or 291,772,367 Adjusted Shares (assuming all rights attaching to the outstanding Share Options are exercised before the Record Date and Time)

Number of Rights Shares	:	Not less than 1,454,387,835 Rights Shares but not more than 1,458,861,835 Rights Shares
Number of Bonus Shares	:	Not less than 290,877,567 Bonus Shares and not more than 291,772,367 Bonus Shares to be issued to the First Registered Holders of the Rights Shares on the basis of one (1) Bonus Share for every five (5) Rights Shares taken up under the Rights Issue
Total number of issued Adjusted Shares upon completion of the Rights Issue and the Bonus Issue	:	Not less than 2,036,142,969 Adjusted Shares but not more than 2,042,406,569 Adjusted Shares

Assuming no exercise of any Share Options on or before the Record Date and Time the minimum total number of Rights Shares and Bonus Shares of 1,745,265,402 Adjusted Shares (assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued) represents:

- (i) 600% of the number of Adjusted Shares immediately upon completion of the Capital Reorganisation (based on WYT's existing issued share capital as at the date of this announcement); and
- (ii) approximately 85.71% of the WYT's issued share capital as enlarged by the issue of the Rights Shares and Bonus Shares.

Assuming exercise of all Share Options in full at or before the Record Date and Time, the maximum total number of Rights Shares and Bonus Shares of 1,750,634,202 Adjusted Shares represents:

- (i) 600% of the number of Adjusted Shares immediately upon completion of the Capital Reorganisation; and
- (ii) approximately 85.71% of the WYT's issued share capital as enlarged by the issue of the Rights Shares and Bonus Shares.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional new Shares which may be allotted and issued pursuant to the exercise of the Share Options at or before 4:30 p.m. (Hong Kong time) on Wednesday, 29 September 2010. As at the date of this announcement, there are outstanding Share Options granted under the Share Option Scheme which entitle the holders thereof to subscribe for 22,370,000 Shares. If all the subscription rights attaching to the Share Options are duly exercised and Shares are allotted and issued pursuant to such exercise at or before 4:30 p.m. (Hong Kong time) on

Wednesday, 29 September 2010, the number of issued Shares could increase to 7,294,309,188. On this basis, following the Capital Reorganisation, a total of 1,458,861,835 Rights Shares may be issued and the enlarged issued share capital upon completion of the Rights Issue and Bonus Issue could correspondingly increase to 2,042,406,569 Adjusted Shares accordingly. Save for the outstanding Share Options, WYT has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

Bonus Issue

Subject to the satisfaction of the conditions of the Rights Issue, the Bonus Shares will be issued to the First Registered Holders of the Rights Shares on the basis of one (1) Bonus Share for every five (5) Rights Shares taken up under the Rights Issue.

On the basis of not less than 1,454,387,835 Rights Shares but not more than 1,458,861,835 Rights Shares to be issued under the Rights Issue, not less than 290,877,567 Bonus Shares (assuming no fractional entitlement(s) result(s) when determining the number of Bonus Shares to be issued) and not more than 291,772,367 Bonus Shares will be issued.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of WYT and not being Excluded Shareholders at the Record Date and Time. In order to be registered as members of WYT at the Record Date and Time, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Wednesday, 29 September 2010 at the following address:

Tricor Secretaries Limited at
26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

WYT will send the Prospectus Documents to the Qualifying Shareholders and will send the Prospectus (without the PAL(s) and EAF(s) in respect of the allotment of Rights Shares and the Bonus Shares), for information only, to the Excluded Shareholders on the Prospectus Posting Date.

WYT will ascertain whether there are any Overseas Shareholders at the Record Date and Time. In determining whether there will be Excluded Shareholders, WYT will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to WYT's offering of the Rights Shares and the Bonus Shares to the Overseas Shareholders in compliance with the Listing Rules.

Rights of the Excluded Shareholders

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid to the Excluded Shareholders pro-rata to their shareholdings held at the Record Date and Time. In light of the administrative costs, WYT will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Excluded Shareholders to the Rights Shares, together with any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares, will be made available for excess applications by the Qualifying Shareholders.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAF(s) and lodging the same with a separate remittance for the excess Rights Shares. The WYT Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Rights Shares applied for by the Qualifying Shareholders. However, no preference will be given to topping-up odd lots to whole board lots.

For Shareholders whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of WYT, they must lodge all necessary documents with the Registrar, for completion of the relevant registration not later than 4:30 p.m. on Wednesday, 29 September 2010.

Closure of register of members

The register of members of WYT, in relation to the Rights Issue, will be closed from Thursday, 30 September 2010 to Tuesday, 5 October 2010, both dates inclusive. No transfer of Shares will be registered during this period.

Subscription Price

The Subscription Price is HK\$0.207 per Rights Share, payable in full on application.

The Subscription Price represents:

- (i) a discount of approximately 83.10% to the adjusted closing price of HK\$1.225 per Adjusted Share, based on the closing price of HK\$0.049 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (ii) a discount of approximately 83.10% to the adjusted average closing price of approximately HK\$1.225 per Adjusted Share, based on the average closing price of approximately HK\$0.049 as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iii) a discount of approximately 35.91% to the theoretical ex-entitlement price of approximately HK\$0.323 per Adjusted Share after the Rights Issue and the Bonus Issue, based on the closing price of HK\$0.049 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation; and
- (iv) a discount of approximately 94.84% to the unaudited net asset value per Adjusted Share of approximately HK\$4.01 as at 31 March 2010 as adjusted for the Capital Reorganisation and after taking into account of the net proceeds of approximately HK\$61.5 million from the placing of Shares completed in April 2010.

The Subscription Price was arrived at after arm's length negotiation between WYT and the Underwriter with reference to the market price of the Shares and the prevailing market conditions. The WYT Directors consider that the discount would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in WYT and participate in the future growth of the WYT Group. In view of the prevailing market conditions of the capital market in Hong Kong and the benefits of the Rights Issue, the WYT Directors (excluding the independent non-executive WYT Directors whose opinion will be set forth in the circular to be despatched to the Shareholders in relation to, inter alia, the Capital Reorganisation, the Rights Issue and the Bonus Issue, after having been advised by an independent financial adviser) consider that the terms of the Rights Issue and the Bonus Issue are fair and reasonable and in the best interests of the WYT Group and the Shareholders as a whole.

Status of the Rights Shares and the Bonus Shares

The Rights Shares and the Bonus Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares and the Bonus Shares. Holders of the Rights Shares and the Bonus Shares will be entitled to receive all future

dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares and the Bonus Shares. Dealings in the Rights Shares and the Bonus Shares will be subject to payment of stamp duty in Hong Kong.

Certificates of the Rights Shares and the Bonus Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the Rights Shares and the Bonus Shares are expected to be sent on or before Wednesday, 27 October 2010 to those entitled thereto by ordinary post at their own risk.

Fractions of the Rights Shares and the Bonus Shares

Fractional entitlements to the Rights Shares and the Bonus Shares will not be allotted and will not be issued.

Application for listing

WYT will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) and the Bonus Shares. No part of the securities of WYT is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchanges.

Dealings in the Rights Shares in both nil-paid and fully-paid forms which are registered in the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Irrevocable Undertaking

As at the date of this announcement, Rich Time, an indirect wholly-owned subsidiary of Wang On, is interested in 527,009,324 Shares, representing approximately 7.25% of the existing issued share capital of WYT. Rich Time has given an Irrevocable Undertaking, in favour of WYT and the Underwriter, among other things, that (1) it will subscribe for 105,401,860 Rights Shares (with Bonus Shares) which it will be entitled to pursuant to the terms of the Rights Issue; (2) the Shares or the Adjusted Shares (as the case may be) comprising its current shareholding will remain registered in its name at the Record Date and Time as they are on the date of the Irrevocable Undertaking; (3) it will procure that the applications in respect of the 105,401,860 Rights Shares (with Bonus Shares) comprising its entitlements under the Rights Issue will be lodged with the Registrar, with payment in full therefor in cash, by no later than 4:00 p.m. at the Latest Time for Acceptance and otherwise in accordance with the instructions printed on the PAL(s); and (4) it will apply, by way of excess application, for an additional 380,000,000 Rights Shares (with Bonus Shares) that are not taken up by the Qualifying Shareholders under the Rights Issue.

UNDERWRITING AGREEMENT

The Underwriting Agreement

- Date : 5 August 2010
- Underwriter : Kingston Securities Limited. As at the date of this announcement, the Underwriter is interested in seven (7) Shares. To the best of the knowledge, information and belief of the WYT Directors having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of WYT and the connected persons of WYT
- Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has agreed to fully underwrite not less than 968,985,975 Underwritten Shares and not more than 973,459,975 Underwritten Shares not taken up by the Qualifying Shareholders.
- Commission : 2.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the WYT Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading

position or prospects of the WYT Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of WYT or any member of the WYT Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the WYT Group, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the WYT Group or the destruction of any material asset of the WYT Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the WYT Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or WYT's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Circular or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to WYT, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Conditions of the Rights Issue and the Bonus Issue

The Rights Issue and the Bonus Issue are conditional upon the following:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date and the filing of the Prospectus Documents with the Registrar of Companies in Bermuda in compliance with the Companies Act;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of, and permission to deal in the Rights Shares (in both nil-paid and fully-paid forms) and the Bonus Shares by no later than the first day of their dealings;
- (iv) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time of Termination;
- (v) the passing of the necessary resolution(s) by the Shareholders (where applicable, the independent Shareholders) at the SGM to approve (i) the Capital Reorganisation; (ii) the Rights Issue, (iii) the issue and allotment of the Bonus Shares, and the transactions contemplated under the Underwriting Agreement;
- (vi) the Capital Reorganisation having been completed;
- (vii) compliance with and performance by WYT of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (viii) compliance with and performance of all undertakings and obligations of Rich Time under the Irrevocable Undertaking;
- (ix) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares and Bonus Shares; and
- (x) in the event that the number of Remaining Untaken Shares exceeds 19.9% of the issued share capital of WYT immediately upon the completion of the Rights

Issue, the Underwriter successfully procuring subscriber(s): (i) who are third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or chief executive of WYT or substantial shareholders of WYT or their respective associates (as defined in the Listing Rules); and (ii) none of whom (together with their respective parties acting in concert (within the meaning of the Takeovers Code) with them) will hold 10.0% or more of the voting rights of WYT upon completion of the Rights Issue, so that all Remaining Untaken Shares are subscribed for.

The conditions (other than condition (vii) above) are incapable of being waived. If any of the above conditions is not satisfied in whole or in part by the Latest Time for Termination, the Underwriting Agreement shall be terminated accordingly and no party shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall to the extent agreed by WYT be borne by WYT, and the Rights Issue and the Bonus Issue will not proceed.

CHANGES IN THE SHAREHOLDING STRUCTURE OF WYT ARISING FROM THE RIGHTS ISSUE

(i) assuming no exercise of the outstanding Share Options before the Record Date and Time.

	As at the date of this announcement		Immediately after the Capital Reorganisation but before the completion of Rights Issue and Bonus Issue		Immediately after completion of Rights Issue and Bonus Issue (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after completion of Rights Issue and Bonus Issue (except Wang On or its nominee and the Underwriter, none of Rights Shares are subscribed by the Qualifying Shareholders) (Notes 2 and 3)	
	Shares	% Adjusted Shares	Shares	% Adjusted Shares	Shares	% Adjusted Shares	Shares	% Adjusted Shares
Substantial Shareholder								
Wang On Group (Note 1)	527,009,324	7.25	21,080,372	7.25	147,562,604	7.25	603,562,604	29.64
Public Shareholders								
Underwriter (Note 4)	7	0.00	—	—	—	—	1,162,783,170	57.11
Other public Shareholders	<u>6,744,929,857</u>	<u>92.75</u>	<u>269,797,195</u>	<u>92.75</u>	<u>1,888,580,365</u>	<u>92.75</u>	<u>269,797,195</u>	<u>13.25</u>
Total	<u>7,271,939,188</u>	<u>100.00</u>	<u>290,877,567</u>	<u>100.00</u>	<u>2,036,142,969</u>	<u>100.00</u>	<u>2,036,142,969</u>	<u>100.00</u>

(ii) assuming the exercise of all outstanding Share Options before the Record Date.

	As at the date of this announcement		Immediately after the Capital Reorganisation but before the completion of Rights Issue and Bonus Issue		Immediately after completion of Rights Issue and Bonus Issue (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after completion of Rights Issue and Bonus Issue (except Wang On or its nominee and the Underwriter, none of Rights Shares are subscribed by the Qualifying Shareholders) (Notes 2 and 3)	
	Shares	% Adjusted Shares	Shares	% Adjusted Shares	Shares	% Adjusted Shares	Shares	% Adjusted Shares
Substantial Shareholders								
Wang On Group (Note 1)	527,009,324	7.22	21,080,372	7.22	147,562,604	7.22	603,562,604	29.55
Director								
Ms. Tang	1,950,000	0.03	78,000	0.03	546,000	0.03	78,000	0.00
Public Shareholders								
Underwriter (Note 4)	7	0.00	—	—	—	—	1,168,151,970	57.19
Other public Shareholders	<u>6,765,349,857</u>	<u>92.75</u>	<u>270,613,995</u>	<u>92.75</u>	<u>1,894,297,965</u>	<u>92.75</u>	<u>270,613,995</u>	<u>13.25</u>
Total	<u>7,294,309,188</u>	<u>100.00</u>	<u>291,772,367</u>	<u>100.00</u>	<u>2,042,406,569</u>	<u>100.00</u>	<u>2,042,406,569</u>	<u>100.00</u>

Notes:

1. These Shares are beneficially owned by Rich Time, an indirect wholly-owned subsidiary of Wang On.
2. **This scenario is for illustrative purpose only and will never occur.** Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers of the Remaining Untaken Shares:
 - (i) the Underwriter shall not subscribe, for its own account, for such number of Remaining Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in WYT to exceed 19.9% of the voting rights of WYT upon the completion of the Rights Issue; and
 - (ii) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Remaining Untaken Shares (which form part of the Underwritten Shares) procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the WYT Directors or chief executive of WYT or substantial shareholders of WYT or their respective associates and concert parties; and (ii) any subscribers procured by the Underwriter shall not, together with any party acting in concert with it, hold 10.0% or more of the voting rights of WYT upon completion of the Rights Issue.
3. WYT will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.
4. As at the date of this announcement, the Underwriter is interested in seven (7) Shares. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of WYT and connected persons of WYT.

REASONS FOR THE RIGHTS ISSUE (WITH BONUS ISSUE) AND USE OF PROCEEDS

The WYT Group is principally engaged in (i) the 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) the processing and sale of western pharmaceutical products under the brand names of “Madame Pearl’s” and “Pearl’s”.

The estimated expenses in relation to the Rights Issue (with Bonus Issue), including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by WYT. Having considered other fund raising alternatives for the WYT Group, such as bank borrowings and placing

of new Shares, and taking into account the benefits and cost of each of the alternatives, the Rights Issue allows the WYT Group to strengthen its balance sheet without facing the increasing interest rates. The WYT Board considers that the Rights Issue is in the interests of WYT and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of WYT and enables the Qualifying Shareholders to maintain their proportionate interests in WYT and continue to participate in the future development of the WYT Group should they wish to do so. In addition, the Bonus Issue will be as additional incentive for the Shareholders to take part into the Rights Issue. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in WYT will be diluted.**

The WYT Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular to be despatched to the Shareholders in relation to, inter alia, the Capital Reorganisation, the change in board lot size, the Rights Issue and the Bonus Issue, after having been advised by an independent financial adviser) consider that the Rights Issue and the Bonus Issue are fair and reasonable and in the interests of WYT and the Shareholders as a whole having taken into account the terms of the Rights Issue and the Bonus Issue.

The estimated net proceeds of the Rights Issue will be not less than approximately HK\$292.04 million and not more than approximately HK\$292.95 million and are intended to be used for the following purposes: (a) approximately HK\$10 million for the repayment of WYT's borrowings, (b) approximately HK\$60 million for the expansion of WYT Group's Chinese and Western health food and pharmaceutical business (including, if and when attractive opportunities arise, the acquisition of appropriate retail premises or office premises in Hong Kong, PRC or elsewhere), (c) approximately HK\$114.3 million for the Acquisition, and (d) the remaining balance of approximately HK\$107.74 million for possible investment opportunities in the future and as general working capital. As at the date of this announcement, no investments targets were identified by the WYT Group.

PREVIOUS FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

Save as disclosed below, WYT has not conducted any fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Description	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds
12 Apr 2010	Placing of shares	HK\$61.5 million	approximately HK\$10.0 million for the repayment of interest-bearing debts	approximately HK\$5.8 million for the repayment of interest-bearing debts and the balance will be utilised as intended
			approximately HK\$21.0 million for the expansion of the WYT Group's Chinese and Western health food and pharmaceutical business (including, if and when attractive opportunities arise, the acquisition of appropriate retail premises for use by the WYT Group's retail network)	approximately HK\$21.0 million for purchase of retail premises
			approximately HK\$30.5 million for general working capital	approximately 30.5 million for the settlement of creditors, rental payment, the WYT Group salaries payment and loan interest

EXPECTED TIMETABLE

Event	Timeline
Expected despatch date of the circular with notice of SGM	Friday, 27 August 2010
Latest time for lodging proxy forms for the SGM	11:30 a.m. on Sunday, 19 September 2010
Expected date and time of SGM	11:30. a.m. on Tuesday, 21 September 2010
Announcement of results of SGM.....	Tuesday, 21 September 2010
Effective date and time of Capital Reorganisation	5:00 p.m. on Tuesday, 21 September 2010
Commencement of dealings in the Adjusted Shares.....	9:30 a.m. on Wednesday, 22 September 2010
Original counter for trading in Shares in existing share certificates in board lots of 6,000 Shares temporarily closes	9:30 a.m. on Wednesday, 22 September 2010
Temporary counter for trading in Adjusted Shares in board lots of 240 Adjusted Shares (in the form of existing share certificates) opens	9:30 a.m. on Wednesday, 22 September 2010
First day of free exchange of existing certificates for the Shares (in board lots of 6,000 Shares) into new certificates for the Adjusted Shares (in board lots of 10,000 Adjusted Shares)	Wednesday, 22 September 2010
Last day of dealings in Shares on a cum-rights basis	Monday, 27 September 2010
First day of dealings in Shares on an ex-rights basis	Tuesday, 28 September 2010

Latest time for Shareholders to lodge transfers of Shares in order to qualify for the Rights Issue (with Bonus Issue)	4:30 p.m. on Wednesday, 29 September 2010
Closure of register of members of WYT (both days inclusive)	Thursday, 30 September to Tuesday, 5 October 2010
Record Date and Time	5:30 p.m. on Tuesday, 5 October 2010
Register of members re-opens	Wednesday, 6 October 2010
Despatch of Prospectus Documents by ordinary post ..	Wednesday, 6 October 2010
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots of Adjusted Shares	9:30 a.m. on Friday, 8 October 2010
Original counter for trading in the Adjusted Shares in board lots of 10,000 Adjusted Shares (only new certificates for the Adjusted Shares in board lots of 10,000 Adjusted Shares can be traded at this counter) re-opens	9:30 a.m. on Friday, 8 October 2010
Parallel trading in Adjusted Shares (in the form of both existing certificates in board lots of 6,000 Shares and new certificates in board lots of 10,000 Adjusted Shares) commences	9:30 a.m. on Friday, 8 October 2010
First day of dealings in nil-paid Rights Shares	Friday, 8 October 2010
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Tuesday, 12 October 2010
Last day of dealings in nil-paid Rights Shares	Friday, 15 October 2010

Latest time for acceptance of, and payment for, the
Rights Shares (with Bonus Issue) and the applications
for excess Rights Shares (with Bonus Issue)4:00 p.m. on
Wednesday, 20 October 2010

Latest time to terminate the Underwriting Agreement
and for the Rights Issue to become unconditional 4:00 p.m. on
Monday, 25 October 2010

Announcement of results of the Rights IssueTuesday, 26 October 2010

Refund cheques to be despatched in relation to wholly
or partially unsuccessful applications for excess
Rights Shares on or beforeWednesday, 27 October 2010

Certificates for fully paid Rights Shares and Bonus
Shares to be despatched on or beforeWednesday, 27 October 2010

Temporary counter for trading in Adjusted Shares
in board lots of 240 Adjusted Shares
(in the form of existing certificates) closes4:00 p.m.
Thursday, 28 October 2010

Parallel trading in the Adjusted Shares (represented
by both existing certificates in board lots of 6,000
Shares and new certificates in board lots of 10,000
Adjusted Shares) ends4:00 p.m. on
Thursday, 28 October 2010

Designated broker ceases to stand in the market
to provide matching service4:00 p.m. on
Thursday, 28 October 2010

Commencement of dealings in fully-paid Rights Shares 9:30 a.m. on
Friday, 29 October 2010

Last day of free exchange of existing certificates for the
Shares (in board lots of 6,000 Shares) for the new
certificates for the Adjusted Shares (in board lots of
10,000 Adjusted Shares)Monday, 1 November 2010

Note: All references to time in this announcement are references to Hong Kong time.

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between WYT and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “Conditions of the Rights Issue and the Bonus Issue” in this announcement. In particular, the Rights Issue is conditional, among others, upon:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in, the Rights Shares in nil-paid and fully-paid forms prior to Friday, 8 October 2010, being the expected date of commencement of dealings in the Rights Shares in nil-paid form (or such other date as may be agreed between WYT and the Underwriter); and**
- (ii) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms (set out in the section headed “Termination of the Underwriting Agreement” in this announcement).**

If the conditions of the Rights Issue are not fulfilled or if the Underwriter exercises its right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

Any persons contemplating buying or selling Shares or Adjusted Shares (as the case may be) from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Friday, 8 October 2010 to Friday, 15 October 2010 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or Adjusted Shares (as the case may be) or nil-paid Rights Shares are recommended to consult their own professional advisers.

DISCLOSEABLE TRANSACTION OF WANG ON

The Irrevocable Undertaking

As at the date of this announcement, Rich Time, an indirect wholly-owned subsidiary of Wang On is indirectly interested in 527,009,324 Shares. Rich Time has given an irrevocable undertaking to WYT and the Underwriter that, among other things, that (1) it will subscribe for 105,401,860 Rights Shares (with Bonus Shares) which it will be entitled to pursuant to the terms of the Rights Issue; (2) the Shares or the Adjusted Shares (as the case may be) comprising its current shareholding will remain registered in its name at the Record Date and Time as they are on the date of the Irrevocable Undertaking; (3) it will procure that the applications in respect of the 105,401,860 Rights Shares (with Bonus Shares) comprising its entitlements under the Rights Issue will be lodged with the Registrar, with payment in full therefor in cash, by no later than 4:00 p.m. at the Latest Time for Acceptance and otherwise in accordance with the instructions printed on the PAL(s); and (4) it will apply, by way of excess application, for an additional 380,000,000 Rights Shares (with Bonus Shares) that are not taken up by the Qualifying Shareholders under the Rights Issue.

Financial Impact on Wang On from the Irrevocable Undertaking

Assuming: (1) Rich Time subscribes for its respective provisional entitlements under the Rights Issue in full in accordance with the Irrevocable Undertaking; (2) not all Qualifying Shareholders (other than Rich Time) take up the Rights Shares to which they are entitled by the Latest Time for Acceptance and otherwise in accordance with the instructions printed on the PAL(s), and Rich Time subscribes for 380,000,000 excess Rights Shares pursuant to the Irrevocable Undertaking; and (3) all outstanding Share Options are exercised in full by the Record Date and Time, the direct and indirect interests of Rich Time in the share capital of WYT immediately upon completion of the Rights Issue and the Bonus Issue will increase from approximately 7.25% to not more than 29.55%. Since the extent of such increase is not determinable prior to the completion of the Rights Issue (with Bonus Issue) and is subject to the review by the auditors, the Wang On Directors are unable to assess the impact from the Rights Issue (with Bonus Issue) on Wang On's financial position as at the date of this announcement.

Rich Time will pay a total amount of approximately HK\$100.5 million to fully subscribe its entitlement under the Rights Issue and 380,000,000 excess Rights Shares pursuant to the Irrevocable Undertaking. The consideration will be fully satisfied in cash by Wang On Group's internal resources.

Reasons for the Irrevocable Undertaking

In light of the reasons of the Rights Issue as stated above, Wang On Board believes that it is in the interests of WYT to implement the Rights Issue with a view to strengthening the capital base of WYT so that WYT will be in a position to capture business opportunities associated with its principal business engagements ahead. The Irrevocable Undertaking is given in order to support and maintain the value of Wang On's investment in WYT and the underwriting of the Underwritten Shares may enable Wang On to increase its shareholding in WYT and will ensure the Rights Issue being fully subscribed.

The following information is extracted respectively from the audited financial statements of WYT for the two financial years ended 31 March 2010 and 2009:

	For the financial year ended 31 March 2010 (HK\$'000)	For the financial year ended 31 March 2009 (HK\$'000)
Revenue	529,305	496,151
Profit (loss) before taxation	47,907	(345,764)
Profit (loss) for the year	45,031	(345,942)

The Wang On Directors consider the terms of the Irrevocable Undertaking are fair and reasonable and believe that the entering into the Underwriting Agreement (including the Irrevocable Undertaking) is in the best interests of Wang On and its shareholders as a whole.

Listing Rules Implication

The subscription in full for Rich Time's entitlement under the Rights Issue and the fulfillment of the Irrevocable Undertaking exceeds 5% but is less than 25% of certain applicable percentage ratios and therefore constitutes a discloseable transaction of Wang On Group under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT AND THE DEED OF GUARANTEE

The Sale and Purchase Agreement

Date

6 August 2010

Parties

- (i) East Run, a wholly-owned subsidiary of Wang On, as the seller
- (ii) Guidepost, a wholly-owned subsidiary of WYT, as the purchaser

As at the date of this announcement, Wang On is indirectly interested in 527,009,324 Shares, representing approximately 7.25% of the issued Shares.

Assets to be acquired

The respective entire issued share capital and the shareholder loans of the Target Companies. Each of the Target Companies is an investment holding company holding one of the Properties.

Consideration

In consideration for the sale by the East Run of the issued share capital and the shareholder loans to Guidepost, Guidepost will pay to East Run the Initial Consideration in the sum of HK\$114,300,000 by way of electronic transfer to the bank account of East Run at Completion, unless East Run and Guidepost agree in writing on an alternative time. The Initial Consideration is subject to the adjustments by reference to the Final NAV, Final Current Account and Final Deferred Tax in the Completion Accounts of the Target Companies dated as at the Completion Date. The completion accounts will be prepared by an accounting firm duly appointed by East Run and Guidepost. Should the Final NAV (or the Final Current Account or the Final Deferred Tax) be greater than the Initial NAV (or the Initial Current Account or the Initial Deferred Tax) (as the case maybe), the parties shall add the amount representing the difference between the Final NAV and the Initial NAV (or the Final Current Account and the Initial Current Account, or the Final Deferred Tax and the Initial Deferred Tax) (as the case maybe) to the Initial Consideration. The relevant party shall pay the adjustments to the other party within five (5) Business Days of the date on which the Completion Accounts are prepared.

The consideration was agreed between the parties to the Sale and Purchase Agreement based on arm's length negotiations with reference to the book value and appraised value of the Properties of the Target Companies prepared by an independent valuer.

Conditions precedent of the Acquisition

Completion of the Acquisition shall be conditional on the following conditions having been waived (except conditions (b), (d) and (e)) or fulfilled in accordance with the Sale and Purchase Agreement:

- (a) Guidepost being satisfied as to its due diligence findings of each of the Target Companies and their subsidiaries;
- (b) Guidepost having obtained the approval of the Shareholders of WYT in a general meeting for the Acquisition, the Capital Reorganisation, the Rights Issue and the Bonus Issue in accordance with the requirements of the Listing Rules and such approval not having been or proposed to be revoked;
- (c) no event, circumstance, effect, occurrence or state of affairs or any combination thereof arising or occurring on or after the date of the Sale and Purchase Agreement which is, or may be, materially adverse to the business, operations, assets or financial condition of any of the Target Companies or their subsidiaries;
- (d) the Capital Reorganisation becoming effective in accordance with its terms;
- (e) the completion of the Rights Issue in accordance with its terms; and
- (f) Guidepost has obtained certificates of title issued by its legal counsel on each of the Properties on or before the Completion Date in form satisfactory to Guidepost.

If any of the above conditions has not been fulfilled or waived by 30 November 2010 or (such later date as East Run and Guidepost may mutually agree in writing), the Sale and Purchase Agreement (other than certain surviving provisions set out in the Sale and Purchase Agreement) shall automatically terminate.

Information of the Target Companies

The Target Companies are companies incorporated in Hong Kong with limited liability. As at the date of this announcement, the Target Companies are indirect wholly-owned subsidiaries of Wang On. The Target Companies are investment holdings companies and the sole asset of each of the Target Companies is a property.

Set out below is a summary of the combined financial results of the Target Companies in aggregate for the two years ended 31 March 2009 and 31 March 2010:

	Year ended 31 March	
	2010	2009
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Turnover	3,395	2,833
Profit/(Loss) before tax	24,627	(5,495)
Profit/(Loss) after taxation	21,272	(4,702)

Information of the Properties

Each of the Properties is held by each of the Target Companies. The Properties are leased to WYT with a fix monthly rental income. By reference to independent professional valuation, the market value of the Properties as at 31 July 2010 was HK\$142 million in total.

Tax Indemnity

East Run has given an undertaking under the Sale and Purchase Agreement to fully and effectively indemnify and keep indemnified and hold harmless each of Guidepost and its Affiliates (for each of itself and on trust for each of its directors, officers, employees, agents, assignees and affiliates) from and against all losses, damages, liabilities, payments, costs or expenses which may be suffered, made or incurred by Guidepost or its Affiliates (with such amount of indemnity to be paid to Guidepost to cover all such losses, damages, liabilities, payments, costs or expenses) arising out of or in connection with any deferred tax (including Hong Kong profits tax) imposed by any tax authority of Hong Kong on the transfer of any of the Properties by Guidepost or its Affiliates within three (3) years from the Completion Date. The liability of East Run arising from the aforesaid undertaking will not exceed the amount of deferred tax calculated based on the value of each of the Properties as set out in the Completion Accounts.

The Deed of Guarantee

As part of the consideration for East Run to sell, and Guidepost to purchase, the issued share capital and the shareholder loans under the Sale and Purchase Agreement, Wang On, East Run and Guidepost entered into a Deed of Guarantee dated 9 August 2010, pursuant to which Wang On unconditionally and irrevocably covenanted and guaranteed Guidepost the due and punctual performance, observance and compliance by East Run of each and every term, provision, condition, obligation, undertaking and agreement contained in the Sale and Purchase Agreement (as amended from time to time). The Deed of Guarantee has been confirmed and acknowledged by East Run.

Reasons for the Acquisition

Currently, WYT has to pay rent for the Properties every month. The Acquisition allows the WYT Group to save the rental expenses in long term. Also, the Acquisition can enlarge the WYT Group's investment property portfolio and increase its long term rental income. Taking into account the above factors, the WYT Directors consider that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of WYT and the Shareholders as a whole.

Reasons for the Disposal and Use of Proceeds

Wang On Group is principally engaged in property investment and development, 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. It also has interests in the pharmaceutical business through its investments in WYT.

The Wang On Directors consider that the Disposal represents an opportunity for the Wang On Group to realise its investment in the Properties at an attractive return. The Disposal will further enhance the financial position of Wang On Group. The net proceeds of HK\$113.9 is intended to be used for property investment and property development business of Wang On Group.

The Wang On Directors consider that the terms of the Disposal are fair and reasonable and the Acquisition is in the interests of Wang On and the shareholders of Wang On as a whole.

Listing Rules implication

In respect of the Acquisition, since certain relevant percentage ratios (as defined under the Listing Rules) are greater than 25% but less than 100%, the Acquisition constitutes a major transaction of WYT and is subject to the announcement and shareholder's approval requirements under Chapter 14 of the Listing Rules.

Wang On, being the ultimate holding company of the vendor, is indirectly interested in approximately 7.25% of the issued Shares, and its associates are required to abstain from voting at the SGM on the resolutions to approve the Acquisition.

In respect of the Disposal, since certain relevant percentage ratios (as defined under the Listing Rules) are greater than 5% but less than 25%, the Disposal constitutes a discloseable transaction of Wang On under Chapter 14 of the Listing Rules.

Financial effects of the Disposal

Upon the completion of the Disposal, the Target Companies will cease to be the subsidiaries of Wang On and there will be a gain of approximately HK\$15.4 million before expenses arising from the Disposal. WYT Shareholders should note that the actual gain in relation thereto will depend on the net asset value of Target Companies as at the Completion Date.

The Wang On Directors consider that the Disposal does not have any significant adverse effect on the financial position of the Wang On Group.

GENERAL

The Rights Issue and the Bonus Issue are subject to, among other things, the approval by the Independent Shareholders at the SGM. Pursuant to Rule 7.19(6) of the Listing Rules, any controlling Shareholder and their associates, or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the company and their respective associates will abstain from voting in favour of the resolutions relating to the Rights Issue and the Bonus Issue. As at the date of this announcement, there is no controlling Shareholder. Accordingly, Ms. Tang (should she exercise her Share Options and become a Shareholder before the SGM) and her associates shall abstain from voting in favour of the resolutions relating to the Rights Issue and the Bonus Issue.

WYT will establish an independent board committee to advise the Independent Shareholders as to whether the Rights Issue and the Bonus Issue are fair and reasonable and whether the Rights Issue and the Bonus Issue are in the interests of WYT and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, WYT will appoint an independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Rights Issue and the Bonus Issue are fair and reasonable. An announcement relating to the appointment of the independent financial adviser will be issued as soon as practicable.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the proposed Capital Reorganisation, the Rights Issue together with the Bonus Issue and the Acquisition. A circular containing, among other things, (i) further details about the proposed Capital Reorganisation, change in board lot size, the Rights Issue together with the Bonus Issue and the Acquisition; (ii) a letter of recommendation from the independent board committee of WYT to the Independent Shareholders in respects of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of WYT and the

Independent Shareholders on the Rights Issue; (iv) the accountant's report of the Target Companies; (v) unaudited proforma financial information of the enlarged WYT Group; (vi) the valuation report in relation to the Properties; and (vii) the notice convening the SGM, will be despatched to the Shareholders on or before 27 August 2010.

Upon the approval of the Rights Issue (with Bonus Issue) by the Independent Shareholders at the SGM and the Capital Reorganisation becoming effective, the Prospectus Documents setting out details of the Rights Issue (with Bonus Issue) will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Excluded Shareholders for information only.

RESUMPTION OF TRADING

At the request of WYT, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 6 August 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Tuesday, 10 August 2010.

DEFINITIONS

“Acquisition”	the acquisition of the entire issued share capital of the Target Companies by Guidepost from East Run pursuant to the Sale and Purchase Agreement and the Deed of the Guarantee
“Adjusted Share(s)”	the ordinary share(s) of HK0.01 each in the capital of WYT upon the Capital Reorganisation becoming effective
“Affiliate”	means in relation to East Run or Guidepost (as the case may be), any company which is directly or indirectly controlled by, or under common control with, or in control of East Run or Guidepost (as the case may be); the term “control” meaning the ownership of fifty percent (50%) or more of the voting shares or the registered capital of a company, or the power to appoint or elect a majority of the directors or the power to direct the management of a company
“associates”	has the meaning ascribed thereto under the Listing Rules

“Bonus Issue”	the issue of the Bonus Shares on the basis of one (1) Bonus Share for every five (5) Rights Shares taken up under the Rights Issue pursuant to the terms and conditions of the Prospectus Documents
“Bonus Share(s)”	the bonus Adjusted Share(s) to be issued (for no additional payment) to the First Registered Holders of Rights Shares on the basis of one (1) bonus Adjusted Share for every five (5) Rights Shares taken up under the Rights Issue subject to the terms and upon the conditions as set out in the Underwriting Agreement and the Prospectus Documents
“BVI”	the British Virgin Islands
“Capital Reduction”	the proposed reduction of WYT’s issued share capital whereby (i) the par value of all the issued Consolidated Shares shall be reduced from HK\$0.25 each to HK\$0.01 each and the issued share capital of WYT shall accordingly be reduced to the extent of HK\$0.24 per Consolidated Share in issue and (ii) any fractional Consolidated Shares in the issued share capital of WYT arising from the Share Consolidation shall be reduced and cancelled
“Capital Reorganisation”	the proposed reorganisation of WYT’s issued share capital which comprises: (1) Share Consolidation; (2) Capital Reduction; and (3) applying the credit arising from the Capital Reduction to set off the accumulated loss of WYT
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda
“Completion Date”	the date of completion of the Acquisition, which will be the third Business Day following the satisfaction of all the conditions precedent of the Acquisition as set out in the Sale and Purchase Agreement
“Completion Accounts”	the accounts of the Target Companies for the period from 1 April 2010 to the Completion Date, which will be prepared and delivered to Guidepost by accountants duly appointed by Guidepost within one (1) month after the Completion Date

“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	means ordinary share(s) of HK\$0.25 each in the issued share capital of WYT immediately upon the Share Consolidation becoming effective
“Current Financial Statements”	the combined balance sheet as at 30 June 2010 and the income statement for the period ended 30 June 2010 of the Target Companies
“Deed of Guarantee”	The deed of guarantee duly executed by Wang On, East Run and Guidepost on 9 August relating to the Sale and Purchase Agreement
“Disposal”	the disposal of the Target Companies by East Run to Guidepost pursuant to the Sale and Purchase Agreement and the Deed of Guarantee
“EAF(s)”	application form(s) for the Untaken Shares
“East Run”	East Run Investments Limited, a company incorporated under the laws of the BVI with limited liability whose registered office is at P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI (BVI company number: 1474764), which is a wholly-owned subsidiary of Wang On
“Excluded Shareholder(s)”	the Overseas Shareholder(s) at the Record Date and Time where the WYT Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholders
“Final Consideration”	the final price which will be paid by Guidepost to East Run for the Acquisition
“Final Current Account”	the amount due to the immediate holding companies of the Target Companies as set out in the Completion Accounts
“Final Deferred Tax”	the aggregate deferred tax of the Target Companies as set out in the Completion Accounts

“Final NAV”	the aggregate net asset value of the Target Companies as set out in the Completion Accounts
“First Registered Holder(s)”	Qualifying Shareholder(s) who have applied for and received the Rights Shares allotted to them by WYT after lodging valid PALs and EAFs (if applicable)
“Guidepost”	Guidepost Investments Limited, a company incorporated under the laws of the BVI with limited liability whose registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (BVI company number: 595326), which is a wholly-owned subsidiary of WYT
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholder(s) other than Ms. Tang (should she exercise her Share Options and become a Shareholder before the SGM)
“Initial Consideration”	the first payment in the sum of HK\$114,300,000 which will be made by Guidepost to East Run at Completion, unless the East Run and Guidepost agree in writing on an alternative time
“Initial Current Account”	the aggregate amount due to the immediate holding companies of the Target Companies as set out in the Current Financial Statements
“Initial Deferred Tax”	the aggregate deferred tax of the Target Companies as set out in the Current Financial Statements
“Initial NAV”	the aggregate net asset value of the Target Companies as set out in the Current Financial Statements
“Irrevocable Undertaking”	an irrevocable undertaking dated 5 August 2010 under which Rich Time provided the irrevocable undertaking to WYT and the Underwriter as described under the section headed “Irrevocable Undertaking” in this announcement

“Last Trading Day”	5 August 2010, being the last trading day for the Shares on the Stock Exchange before the release of this announcement
“Latest Time For Acceptance”	4:00 p.m. on 20 October 2010, or such later time or date as may be agreed between the Underwriter and WYT, being the latest time for acceptance of, and payment for, the Rights Shares (with Bonus Shares) as described in the Prospectus Documents
“Latest Time For Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and WYT, being the latest time to terminate the Underwriting Agreement or such other time as may be agreed between WYT and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Tang”	Ms. Tang Mui Fun, an executive Director of WYT
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of WYT at the Record Date and Time are outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China
“Properties”	the properties held by the Target Companies, including: (1) Shop B, No. 68-72 Tai Wai Road, Shatin, New Territories, Hong Kong; (2) G/F. & Mezzanine Floor, Lee Wah Building, No.738-740A Nathan Road, Kowloon, Hong Kong; (3) Shop B, G/F., No. 23-33 Shui Wo Street, Kwun Tong, Kowloon, Hong Kong; (4) G/F., 1/F., and 2/F., 68 San Hong Street, Sheung Shui, New Territories, Hong Kong; and (5) Shop A, G/F., Onshine Commercial Building, No. 10 Tung Shing Road, Aberdeen, Hong Kong
“Prospectus”	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue in such form as may be agreed between WYT and the Underwriter

“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Prospectus Posting Date”	6 October 2010, or such other day as may be agreed between WYT and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), whose names appear on the register of members of WYT as at the Record Date and Time, other than the Excluded Shareholders
“Record Date and Time”	5:30 p.m. on 5 October 2010, being the date and time by reference to which entitlements to the Rights Issue will be determined
“Registrar”	WYT’s branch share registrar and transfer office in Hong Kong, which is Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Remaining Untaken Share(s)”	those (if any) of the Untaken Share(s) in excess of the 380,000,000 Rights Shares that Rich Time has undertaken to subscribe or procure subscription for under the Irrevocable Undertaking
“Rich Time”	Rich Time Strategy Limited, a company incorporated in the BVI and whose principal place of business in Hong Kong is situated at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, which is an indirect wholly-owned subsidiary of Wang On
“Rights Issue”	the proposed issue of the Rights Shares (with Bonus Shares) by way of rights issue to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarised herein
“Rights Share(s)”	not less than 1,454,387,835 Rights Shares and not more than 1,458,861,835 Rights Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of five (5) Rights Shares for every one (1) Adjusted Share held at the Record Date and Time pursuant to the Rights Issue

“SGM”	the special general meeting of WYT to be convened to consider and approve, among other things, the proposed Capital Reorganisation, the Rights Issue, the Bonus Issue and the Acquisition
“Sale and Purchase Agreement”	the agreement dated 6 August 2010 entered into between East Run and Guidepost for the sale and purchase of the Target Companies which held the Properties
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of WYT prior to the implementation of the Capital Reorganisation
“Shareholder(s)”	holder(s) of the Share(s), Consolidated Share(s) or Adjusted Share(s) (as the case may be)
“Share Consolidation”	the consolidation of Share(s) in the issued share capital of WYT whereby every 25 Shares of par value of HK\$0.01 each in the issued share capital of WYT will be consolidated into one Consolidated Share of par value of HK\$0.25
“Share Options”	the options granted by WYT to subscribe for Shares or the Consolidated Shares (as the case may be) pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by WYT on 18 September 2003 at the special general meeting of WYT
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.207 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Companies”	Smart First Investment Limited, Info World Investment Limited, Grand Quality Development Limited, Star Sense Limited and Full Gainer Investment Limited, all of which are wholly-owned subsidiaries of East Run and are companies incorporated in Hong Kong with limited liabilities

“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 5 August 2010 entered into between WYT and the Underwriter in relation to the Rights Issue
“Underwritten Share(s)”	not less than 968,985,975 Rights Shares and not more than 973,459,975 Rights Shares underwritten by the Underwriter
“Untaken Share(s)”	those (if any) of the Rights Shares for which duly completed PAL(s) (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of WYT, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance
“Wang On”	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 on the main board of the Stock Exchange
“Wang On Board”	the board of Wang On Directors
“Wang On Director(s)”	the director(s) of Wang On
“Wang On Group”	Wang On and its subsidiaries
“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 shares of which are listed on the main board of the Stock Exchange
“WYT Board”	the board of WYT Directors
“WYT Director(s)”	the director(s) of WYT

* For identification purpose only

“WYT Group” WYT and its subsidiaries

“%” per cent.

By Order of the Board
Wai Yuen Tong Medicine Holdings Limited
(位元堂藥業控股有限公司*)
Chan Chun Hong, Thomas
Managing Director

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman

Hong Kong, 9 August 2010

As at the date of this announcement, the WYT Board comprises three executive WYT Directors, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun, and four independent non-executive WYT Directors, namely Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Yuen Chi Choi and Mr. Cho Wing Mou.

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

** For identification purpose only*