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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)

(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY ONE WYT SHARE HELD ON THE RECORD DATE AT HK\$0.43 PER RIGHTS SHARE

(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE BOND

(3) MAJOR TRANSACTION IN RELATION TO ENTERING INTO OF SZ SUPPLEMENTAL AGREEMENTS IN RESPECT OF THE SZ ACQUISITION

(4) WHITEWASH WAIVER UNDER THE TAKEOVERS CODE

AND

(5) RESUMPTION OF TRADING



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

(1) MAJOR TRANSACTION IN RELATION TO THE SUBSCRIPTION OF RIGHTS SHARES COMPRISING THE FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT AND THE EXCESS APPLICATION FOR RIGHTS SHARES UNDER THE WOG IRREVOCABLE UNDERTAKING

(2) DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF BOND PURSUANT TO THE BOND TRANSFER AGREEMENT

(3) WHITEWASH WAIVER UNDER THE TAKEOVERS CODE

AND

(4) RESUMPTION OF TRADING

FINANCIAL ADVISER TO WYT



KINGSTON CORPORATE FINANCE LTD.

UNDERWRITER OF THE RIGHTS ISSUE



KINGSTON SECURITIES LTD.

* *For identification purpose only*

PART A

PROPOSED RIGHTS ISSUE BY WYT

WYT proposes to raise gross proceeds of up to approximately HK\$408.0 million (assuming no exercise of the outstanding Share Options before the Record Date) or approximately HK\$408.1 million (assuming full exercise of the outstanding Share Options before the Record Date), before expenses, by way of the Rights Issue of not less than 948,857,166 Rights Shares and not more than 949,013,133 Rights Shares to the Qualifying WYT Shareholders at the Subscription Price of HK\$0.43 per Rights Share, on the basis of three Rights Shares for every one WYT Share held on the Record Date. The Rights Issue is not available to the Excluded WYT Shareholders.

Applications will be made to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue.

Use of proceeds of the Rights Issue

The net proceeds to be raised from the Rights Issue, which are estimated to be approximately HK\$399.8 million (assuming no exercise of the outstanding Share Options before the Record Date) or approximately HK\$399.9 million (assuming full exercise of the outstanding Share Options before the Record Date), are intended to be applied for the following purposes: (i) as to HK\$50.0 million for the payment of installation of facilities and equipment of the WYT Group's factory in the PRC (including those payable under the SZ Removal Agreement and the SZ Supplemental Agreements) for its pharmaceutical manufacturing business; (ii) as to HK\$200.0 million for the acquisition of the Bond under the Bond Transfer Agreement; (iii) as to HK\$50.0 million for the repayment of outstanding bank borrowings and interest of the WYT Group; and (iv) the remaining balance of approximately HK\$99.8 million (assuming no exercise of the outstanding Share Options before the Record Date) or approximately HK\$99.9 million (assuming full exercise of the outstanding Share Options before the Record Date) for general working capital purposes of the WYT Group.

Effects on the shareholding structure of WYT as a result of the Rights Issue

The expected changes in the shareholding structure of WYT arising from the Rights Issue are as follows:

	As at the date of this joint announcement		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the Qualifying WYT Shareholders and no exercise of the outstanding Share Options on or before the Record Date		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the WOG Group pursuant to the WOG Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement and no exercise of the outstanding Share Options on or before the Record Date (Note 1)		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the WOG Group pursuant to the WOG Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement and full exercise of the outstanding Share Options on or before the Record Date (Note 1)		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the WOG Group pursuant to the WOG Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement and full exercise of the outstanding Share Options on or before the Record Date (Note 1)	
	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %
The WOG Group	69,830,735	22.08	279,322,940	22.08	649,322,940	51.32	279,322,940	22.08	649,322,940	51.32
Ms. Tang Mui Fun (Note 2)	-	0.00	-	0.00	-	0.00	16,308	0.00	4,077	0.00
Sub-total	69,830,735	22.08	279,322,940	22.08	649,322,940	51.32	279,339,248	22.08	649,327,017	51.32
<i>Other WYT Shareholders</i>										
The Underwriter (including subscribers procured by it) (Note 3)	1	0.00	4	0.00	369,364,962	29.20	4	-	369,520,929	29.20
Other public WYT Shareholders	246,454,986	77.92	985,819,944	77.92	246,454,986	19.48	986,011,592	77.92	246,502,898	19.48
Total	316,285,722	100.00	1,265,142,888	100.00	1,265,142,888	100.00	1,265,350,844	100.00	1,265,350,844	100.00

Notes:

- Assuming all 370,000,000 Rights Shares applied for by Rich Time by way of excess application pursuant to the WOG Irrevocable Undertaking are allocated to it.
- Ms. Tang Mui Fun is an executive WYT Director.
- The Underwriter has undertaken to ensure that subscribers and/or sub-underwriters procured by it (i) are Independent Third Parties; and (ii) will not hold more than 10.0% of the equity interest in WYT upon completion of the Rights Issue.

The Underwriting Agreement

WYT and the Underwriter entered into the Underwriting Agreement under which the Underwriter agreed to underwrite not less than 369,364,961 Underwritten Shares (if no outstanding Share Options are exercised before the Record Date) and not more than 369,520,928 Underwritten Shares (if all outstanding Share Options are exercised before the Record Date), being all of the Rights Shares under the Rights Issue other than Rights Shares subject to the WOG Irrevocable Undertaking.

The Underwriter will receive a commission fee of 2.5% of the aggregate Subscription Price for its maximum number of Underwritten Shares agreed to be underwritten.

The Underwriting Agreement may be terminated by the Underwriter prior to the Latest Time for Termination pursuant to termination provisions set out in the Underwriting Agreement.

Listing Rules implications

As the Rights Issue will result in an increase in WYT's issued share capital by more than 50%, the Rights Issue is subject to, among other things, the approval by the Independent WYT Shareholders at the WYT SGM.

WYT has established the Independent Board Committee to advise the Independent WYT Shareholders with respect to the Rights Issue, the Bond Transfer Agreement and the Whitewash Waiver, and provide recommendation as to voting. WYT has appointed Beijing Securities Limited as the Independent Financial Adviser (whose appointment has been approved by the Independent Board Committee) to advise the Independent Board Committee and the Independent WYT Shareholders as to the terms of the Rights Issue, the Bond Transfer Agreement and the Whitewash Waiver, and as to voting.

PART B

THE WOG IRREVOCABLE UNDERTAKING AND MAJOR TRANSACTION OF WOG

As at the date of this joint announcement, WOG, through its indirectly wholly-owned subsidiary, Rich Time, is interested in 69,830,735 WYT Shares, representing approximately 22.08% of the issued share capital of WYT. On 5 July 2016, Rich Time entered into the WOG Irrevocable Undertaking in favour of WYT.

Pursuant to the WOG Irrevocable Undertaking, Rich Time, an indirectly wholly-owned subsidiary of WOG, has irrevocably undertaken to WYT to subscribe for 209,492,205 Rights Shares which will be provisionally allotted to it nil-paid pursuant to the Rights Issue. In addition, Rich Time has irrevocably undertaken to WYT to apply, by way of excess application, for an additional 370,000,000 Rights Shares.

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the subscription in full for Rich Time's provisional entitlement under the Rights Issue and its application for 370,000,000 Rights Shares by way of excess application under the Rights Issue pursuant to the WOG Irrevocable Undertaking exceed 25% but are less than 100%, the transactions constitute a major transaction for WOG and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

PART C

MAJOR AND CONNECTED TRANSACTION FOR WYT IN RELATION TO THE ACQUISITION OF THE BOND PURSUANT TO THE BOND TRANSFER AGREEMENT AND DISCLOSEABLE TRANSACTION FOR WOG IN RELATION TO THE DISPOSAL OF THE BOND PURSUANT TO THE BOND TRANSFER AGREEMENT

Winning Rich, an indirectly wholly-owned subsidiary of WYT, has entered into the Bond Transfer Agreement with Double Leads, a subsidiary of WOG, and WOG in respect of the acquisition of the Bond from Double Leads as guaranteed by WOG. WYT proposes to apply part of the net proceeds from the Rights Issue for the purpose of settling the consideration payable by the WYT Group in respect of the acquisition of the Bond pursuant to the Bond Transfer Agreement.

As at the date of this joint announcement, Double Leads is an indirectly wholly-owned subsidiary of WOG, which in turn is a substantial WYT Shareholder and therefore a connected person of WYT. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of the Bond by Winning Rich pursuant to the Bond Transfer Agreement exceed 25% and are below 100%, the acquisition of the Bond under the Bond Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction and a major transaction for WYT and will therefore be subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14A and 14 of the Listing Rules.

As one of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the disposal of the Bond by Double Leads pursuant to the Bond Transfer Agreement exceeds 5% but is less than 25%, the transactions under the Bond Transfer Agreement constitute a discloseable transaction for WOG and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

PART D

APPLICATION FOR WHITEWASH WAIVER UNDER THE TAKEOVERS CODE

As at the date of this joint announcement, the WOG Group holds 69,830,735 WYT Shares, representing approximately 22.08% of the issued share capital and voting rights of WYT. If no WYT Shareholder other than Rich Time takes up its own entitlement under the Rights Issue and applies for and being allocated in full the excess Rights Shares pursuant to the WOG Irrevocable Undertaking, the voting rights in WYT held by the WOG Group will increase from approximately 22.08% to a maximum of approximately 51.32%.

The WOG Group will, as a result of this acquisition of voting rights in WYT, incur an obligation to make a mandatory offer for all the WYT Shares other than those already held or agreed to be acquired by the WOG Group, unless the Whitewash Waiver is granted. The grant of the Whitewash Waiver is a condition precedent to the Rights Issue, which may not be waived. If the Whitewash Waiver is not granted, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, among other things, the approval of the Independent WYT Shareholders at the WYT SGM by way of poll. WOG and persons acting in concert with it and persons who are interested or involved in the Rights Issue, the Underwriting Agreement, the WOG Irrevocable Undertaking, the Bond Transfer Agreement and/or the Whitewash Waiver are required under the Takeovers Code to abstain from voting on the resolutions to be proposed at the WYT SGM to approve the Whitewash Waiver.

PART E

MAJOR TRANSACTION OF WYT IN RELATION TO THE SZ REMOVAL AGREEMENT AND THE SZ SUPPLEMENTAL AGREEMENTS ENTERED INTO IN RESPECT OF THE SZ ACQUISITION

In furtherance to the development of the SZ Properties site subsequent to the anticipated completion of the SZ Acquisition, on 5 July 2016, the SZ Purchaser entered into the SZ Removal Agreement and the SZ Supplemental Agreements in respect of the SZ Acquisition involving an aggregated consideration of HK\$28 million. As one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 25% and is less than 100% on an aggregated basis taking into account the transactions contemplated under the SZ Provisional Agreement, the SZ Removal Agreement, the SZ Supplemental Agreements and the transactions contemplated thereunder constitute a major transaction for WYT and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the request of WYT, trading in the WYT Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 6 July 2016 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the WYT Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 11 July 2016.

At the request of WOG, trading in WOG Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 6 July 2016 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the WOG Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 11 July 2016.

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

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “3. Conditions of the Rights Issue” in Part A of this joint announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any WYT Shareholders or potential investors contemplating selling or purchasing the WYT Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional or may not proceed. The WYT Shareholders and potential investors should exercise caution when dealing in the WYT Shares and/or nil-paid Rights Shares. If they are in any doubt about their position, they should consult his/her/its own professional advisers.

PART A : PROPOSED RIGHTS ISSUE BY WYT

The Rights Issue is proposed on the following terms:

1. Issue statistics

Basis of the Rights Issue	:	Three Rights Shares for every one WYT Share held on the Record Date
Subscription Price	:	HK\$0.43 per Rights Share payable in full on acceptance
Net price per Rights Share	:	Approximately HK\$0.421 (assuming no exercise of outstanding Share Options before the Record Date) and HK\$0.421 (assuming full exercise of outstanding Share Options before the Record Date)
Number of WYT Shares in issue as at the date of this joint announcement	:	316,285,722 WYT Shares

Number of new WYT Shares to be issued upon full exercise of the outstanding Share Options	:	51,989 WYT Shares
Number of Rights Shares to be issued pursuant to the Rights Issue and aggregate nominal value	:	Not less than 948,857,166 Rights Shares and not more than 949,013,133 Rights Shares, with an aggregate nominal value of HK\$9,488,571.66 and HK\$9,490,131.33 respectively
Total number of issued WYT Shares upon completion of the Rights Issue	:	Not less than 1,265,142,888 WYT Shares and not more than 1,265,350,844 WYT Shares

The minimum number of 948,857,166 Rights Shares to be issued pursuant to the Rights Issue represents 300.00% of the existing issued share capital of WYT and 75.00% of the enlarged issued share capital of WYT immediately upon completion of the Rights Issue.

Assuming full exercise of the outstanding Share Options on or prior to the Record Date, the maximum number of 949,013,133 Rights Shares will be issued pursuant to the Rights Issue, representing approximately 300.05% of the existing issued share capital of WYT and 75.00% of the issued share capital of WYT as enlarged by the issue of WYT Shares underlying the Share Options and the Rights Issue immediately upon completion of the Rights Issue.

As at the date of this joint announcement, there are 51,989 outstanding Share Options which are convertible into an aggregate of 51,989 WYT Shares.

Save for the aforesaid, WYT has no other outstanding options, derivatives, warrants, rights over shares, convertible securities, or other similar rights which are convertible or exchangeable into the WYT Shares.

2. Subscription Price

The Subscription Price is HK\$0.43 per Rights Share, payable in full on acceptance. The Subscription Price represents:

- (i) a discount of approximately 48.81% to the closing price of HK\$0.84 per WYT Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 49.41% to the average closing price of HK\$0.85 per WYT Share for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 18.87% to the theoretical ex-entitlement price of approximately HK\$0.53 per WYT Share after the Rights Issue, based on the closing price of HK\$0.84 per WYT Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 94.14% to the audited total equity attributable to the owners of WYT per WYT Share of approximately HK\$7.34 as at 31 March 2016.

The Subscription Price and the subscription ratio were determined, among others, as a result of arm's length negotiations between WYT and the Underwriter, and reflects the best commercial deal that WYT could obtain on terms commercially acceptable to WYT. The determination was also driven by the recent market price of the WYT Shares, the capital needs of the WYT Group, the financial position of the WYT Group and the prevailing market conditions. The WYT Board is of the view that the structure and terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of WYT and the WYT Shareholders as a whole.

3. Conditions of the Rights Issue

The Rights Issue is subject to the following conditions under the Underwriting Agreement:

- (i) the passing of necessary resolution(s) by the Independent WYT Shareholders at the WYT SGM approving and confirming: (a) the Rights Issue and the transactions contemplated thereunder and authorising the WYT Directors to allot and issue the Rights Shares (in their nil-paid and fully-paid forms); (b) the Bond Transfer Agreement and the transactions contemplated thereunder; and (c) the Whitewash Waiver, each in accordance with the Bye-Laws, the Listing Rules and the Takeovers Code on or before the Record Date;
- (ii) the Executive granting to WOG the Whitewash Waiver and the satisfaction of all conditions (if any) attached thereto;
- (iii) 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 Documents duly signed by two WYT Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as having been approved by resolutions of the WYT Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iv) the posting of the Prospectus Documents to the Qualifying WYT Shareholders and the posting of the Prospectus to the Excluded WYT Shareholders, if any, for information purposes only, on or before the Prospectus Posting Date;
- (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (vi) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time for Termination;

- (vii) the compliance with and performance by WYT of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (viii) the compliance with and performance of all undertakings and obligations of Rich Time, or any of its respective associates, under the WOG 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;
- (x) there being no Specified Event occurring prior to the Latest Time for Termination; and
- (xi) the passing of the necessary resolution(s) by the WOG Shareholders at the WOG SGM to approve, among others, the subscription of Rights Shares (including the subscription for entitled Rights Shares and by way of excess application) under the Rights Issue pursuant to the WOG Irrevocable Undertaking and the transactions contemplated thereunder.

These conditions are incapable of being waived. If any of the above conditions is not satisfied in whole by the Latest Time for Termination (or such other time and/or date specified therein) or such other time and/or date as WYT and the Underwriter may agree in writing, the Underwriting Agreement shall be terminated accordingly and the Rights Issue will not proceed. In such circumstance, no party will have any claim against the other parties for costs, damages, compensation or otherwise save for any antecedent breaches.

4. Shareholding structure of WYT

The expected changes in the shareholding structure of WYT arising from the Rights Issue are as follows:

	As at the date of this joint announcement		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the Qualifying WYT Shareholders and no exercise of the outstanding Share Options on or before the Record Date		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the WOG Group pursuant to the WOG Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement and no exercise of the outstanding Share Options on or before the Record Date (Note 1)		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the Qualifying WYT Shareholders and full exercise of the outstanding Share Options on or before the Record Date		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the WOG Group pursuant to the WOG Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement and full exercise of the outstanding Share Options on or before the Record Date (Note 1)	
	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %	Number of WYT Shares	Approximate %
The WOG Group	69,830,735	22.08	279,322,940	22.08	649,322,940	51.32	279,322,940	22.08	649,322,940	51.32
Ms. Tang Mui Fun (Note 2)	-	0.00	-	0.00	-	0.00	16,308	0.00	4,077	0.00
Sub-total	69,830,735	22.08	279,322,940	22.08	649,322,940	51.32	279,339,248	22.08	649,327,017	51.32
<i>Other WYT Shareholders</i>										
The Underwriter (including subscribers procured by it) (Note 3)	1	0.00	4	0.00	369,364,962	29.20	4	-	369,520,929	29.20
Other public WYT Shareholders	246,454,986	77.92	985,819,944	77.92	246,454,986	19.48	986,011,592	77.92	246,502,898	19.48
Total	316,285,722	100.00	1,265,142,888	100.00	1,265,142,888	100.00	1,265,350,844	100.00	1,265,350,844	100.00

Notes:

- Assuming all 370,000,000 Rights Shares applied for by Rich Time by way of excess application pursuant to the WOG Irrevocable Undertaking are allocated to it.
- Ms. Tang Mui Fun is an executive WYT Director.
- The Underwriter has undertaken to ensure that subscribers and/or sub-underwriters procured by it (i) are Independent Third Parties; and (ii) will not hold more than 10.0% of the equity interest in WYT upon completion of the Rights Issue.

The Underwriter has undertaken to ensure that each subscriber and/or sub-underwriter is an Independent Third Party and will not hold more than 10.0% of the equity interest in WYT upon completion of the Rights Issue.

5. Principal terms of the Underwriting Agreement

- Date : 5 July 2016 (after trading hours of the Stock Exchange and amended by a supplemental agreement dated 8 July 2016)
- Parties : (i) WYT; and
(ii) the Underwriter.
- Total number of Underwritten Shares : Not less than 369,364,961 Underwritten Shares (if no outstanding Share Options are exercised before the Record Date) and not more than 369,520,928 Underwritten Shares (if all outstanding Share Options are exercised before the Record Date), being the total number of Rights Shares under the Rights Issue minus the maximum aggregate number of Rights Shares to be subscribed and paid for by Rich Time pursuant to the WOG Irrevocable Undertaking and on the basis that no further WYT Share will be issued or repurchased on or before the Record Date.
- Commission : A commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares agreed to be underwritten by the Underwriter is payable to the Underwriter. The commission rate was determined after arm's length negotiations between WYT and the Underwriter with reference to, among other things, the scale of the Rights Issue and the market rate. The WYT Board considers that the underwriting commission rate is fair and reasonable and in the interests of WYT and the WYT Shareholders as a whole.

- Conditions : Please refer to the section headed “3. Conditions of the Rights Issue” in Part A of this joint announcement.
- Latest Time for Termination : 4:00 p.m. on the fourth business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and WYT in writing, being the latest time to terminate the Underwriting Agreement.
- Termination : 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 of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not of the same kind or nature 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 make 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 is 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 WYT, 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 occurs, whether or not of the same kind or nature 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 10 consecutive business days, excluding any halt or suspension in connection with the clearance of this joint announcement, the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or

(viii) any moratorium, suspension or material restriction on trading of the WYT Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

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

The Underwriter may by notice in writing rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

(i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(ii) any Specified Event comes to the knowledge of the Underwriter.

6. Reasons for the Rights Issue

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; (ii) the processing and retailing of western pharmaceutical products, health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”; and (iii) property investment.

The WYT Board is optimistic about the future growth and development of WYT, in light of increasing public awareness and concern about personal health and the rising trend of people consuming health and nutrition supplements. The WYT Group’s establishment of integrated Chinese medical centres to provide Chinese medicine consultation services has proven successful, and the WYT Group will continue to explore ways to further expand its Chinese medicine consultation services. The WYT Group intends to further expand its product range to broaden its customer base, while still focusing on continuous product development, added promotional and marketing efforts and broadening the sales channels of its existing well-known “Madame Pearl’s”, “Pearl’s” and “Pearl’s Mosquitout” products.

The Rights Issue will enable WYT to strengthen its equity base and liquidity without incurring additional interest costs, thereby bolstering its ability to capitalise upon greater business opportunities associated with its principal business engagements. The Rights Issue also affords all Qualifying WYT Shareholders equal opportunity to subscribe for their pro-rata provisional entitlement of the Rights Shares, and participate as fully as they wish in the growth opportunity of WYT by way of applying for excess Rights Shares. It allows the Qualifying WYT Shareholders who decide not to take up their entitlements under the Rights Issue to sell the nil-paid Rights Shares in the market for economic benefit. By comparison, had WYT raised equity of similar size in the form of a placing, such an exercise would not have allowed all Qualifying WYT Shareholders to participate in the capital exercise and those excluded WYT Shareholders would be diluted without being given an opportunity to maintain their percentage interests.

Taking into account the above, the WYT Board is of the view that the Rights Issue is in the interests of WYT and the WYT Shareholders as a whole.

7. Use of proceeds of the Rights Issue

The Rights Issue is proposed with a view to provide further funding for the WYT Group's business development and expansion and assisting with the WYT Group's repayment of financial indebtedness. The net proceeds to be raised from the Rights Issue, being approximately HK\$399.8 million (assuming no exercise of the outstanding Share Options before the Record Date) or approximately HK\$399.9 million (assuming full exercise of the outstanding Share Options before the Record Date) are intended to be applied for the following purposes:

- (a) as to HK\$50.0 million for the payment of installation of facilities and equipment of the WYT Group's factory in the PRC (including those payable under the SZ Removal Agreement and the SZ Supplemental Agreements) for its pharmaceutical manufacturing business;
- (b) as to HK\$200.0 million for the acquisition of the Bond under the Bond Transfer Agreement;
- (c) as to HK\$50.0 million for the repayment of outstanding bank borrowings and interests of the WYT Group; and
- (d) the remaining balance of approximately HK\$99.8 million (assuming no exercise of the outstanding Share Options before the Record Date) or approximately HK\$99.9 million (assuming full exercise of the outstanding Share Options before the Record Date) will be utilised for general working capital of the WYT Group.

Announcement(s) will be made by the WYT Group in accordance with the Listing Rules as and when necessary when there is a material change in the use of net proceeds from the Rights Issue.

8. Expected timetable for the Rights Issue

Event	Timeline 2016
Expected despatch date of the circular with notice of the WYT SGM	9 August, Tuesday
Latest time for lodging proxy forms for the WYT SGM	10:00 a.m. on 24 August, Wednesday
Expected date and time of WYT SGM	10:00 a.m. on 26 August, Friday
Announcement of results of the WYT SGM	26 August, Friday
Last day of dealings in WYT Shares on a cum-rights basis	30 August, Tuesday
First day of dealings in WYT Shares on an ex-rights basis	31 August, Wednesday
Latest time for the WYT Shareholders to lodge transfer of WYT Shares in order to qualify for the Rights Issue	4:30 p.m. on 1 September, Thursday
Closure of register of members of WYT (both dates inclusive)	2 September, Friday to 7 September, Wednesday
Record Date and time for determining entitlements to the Rights Issue	4:30 p.m. on 7 September, Wednesday
Register of members of WYT re-opens	8 September, Thursday
Despatch of Prospectus Documents	8 September, Thursday
First day of dealings in nil-paid Rights Shares	12 September, Monday

Latest time for splitting nil-paid Rights Shares	4:30 p.m. on 14 September, Wednesday
Last day of dealings in nil-paid Rights Shares	20 September, Tuesday
Latest time for acceptance of, and payment for, the Rights Shares and the application for excess Rights Shares	4:00 p.m. on 23 September, Friday
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on 29 September, Thursday
Announcement of results of the Rights Issue	30 September, Friday
Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before	3 October, Monday
Certificates for fully paid Rights Shares to be despatched on or before	3 October, Monday
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on 4 October Tuesday

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

Dates or deadlines specified in this joint 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 the WYT Shareholders as and when appropriate.

9. Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above on the Latest Time for Acceptance, or
2. a “black” rainstorm warning signal is:
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same business day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance and application and payment for excess Rights Shares does not take place, the dates mentioned in this section may be affected. An announcement will be made by WYT in such event as soon as practicable.

10. Qualifying WYT Shareholders

To qualify for the Rights Issue, a WYT Shareholder must be registered as a member of WYT and not being an Excluded WYT Shareholder on the Record Date. In order to be registered as members of WYT on the Record Date, all transfers of the WYT Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Thursday, 1 September 2016, at the following address:

Tricor Secretaries Limited at
Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong

WYT will send the Prospectus Documents to the Qualifying WYT Shareholders, and will also send the Prospectus (without the PAL(s) and EAF(s)), for information purposes only, to the Excluded WYT Shareholders on the Prospectus Posting Date.

WYT will ascertain whether there are any Overseas WYT Shareholders on the Record Date. In determining whether there will be Excluded WYT 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 to the Overseas WYT Shareholders in compliance with the Listing Rules.

11. Rights of the Excluded WYT Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, WYT will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas WYT Shareholders (if any). If, based on legal advice, the WYT Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas WYT Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas WYT Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying WYT Shareholders on the Prospectus Posting Date.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded WYT 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 retained for the benefit of WYT. Any unsold entitlement of the Excluded WYT Shareholders to the Rights Shares, and any Rights Shares provisionally allotted but not accepted by the Qualifying WYT Shareholders or otherwise subscribed for by transferees of the nil-paid Rights Shares, will be made available for excess applications by the Qualifying WYT Shareholders.

Overseas WYT Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the WYT Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas WYT Shareholders should exercise caution when dealing in the WYT Shares.

12. Application for excess Rights Shares

Qualifying WYT Shareholders are entitled to apply for any unsold entitlements of the Excluded WYT Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualifying WYT Shareholders (or the transferees to whom any Qualifying WYT Shareholders have transferred their provisional entitlements). Application may be made by completing the EAF(s) and lodging the same with a separate remittance for the excess Rights Shares no later than the Latest Time for Acceptance. 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 WYT Shareholders. However, no preference will be given to topping-up odd lots to whole board lots.

Beneficial owners of WYT Shares whose shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the WYT Board will regard the nominee company as a single WYT Shareholder according to the register of members of WYT. Accordingly, the beneficial owners of WYT Shares whose shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

For those beneficial owners of WYT Shares whose WYT 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 Thursday, 1 September 2016.

13. Closure of register of members of WYT

The register of members of WYT will be closed from Friday, 2 September 2016, to Wednesday, 7 September 2016 (both dates inclusive) for the purpose of ascertaining entitlement to the Rights Issue. No transfer of WYT Shares will be registered during this period.

14. Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the WYT Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights 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. Dealings in the Rights Shares will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

15. Certificates of the Rights Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the Rights Shares are expected to be sent on or before Monday, 3 October 2016, to those entitled thereto by ordinary post at their own risks. WYT Share certificates will be issued for the fully-paid Rights Shares.

16. Refund cheques for the Rights Issue

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 3 October 2016, by ordinary post to the applicants at their own risk.

17. Application for listing

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

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in each of their nil-paid and fully-paid forms on the Stock Exchange, or such other dates 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.

All necessary arrangements will be made to enable the Rights Shares (in both their nil-paid and fully-paid forms) to be admitted into CCASS.

Dealings in the Rights Shares in both nil-paid and fully-paid forms 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.

18. Warning of the risks of dealings in WYT Shares and/or Rights Shares in nil-paid form

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “3. Conditions of the Rights Issue” in Part A of this joint announcement. In particular, the Rights Issue is conditional, among others, upon:

- (i) the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares in both nil-paid and fully-paid forms by no later than the first day of their dealings, which is expected to be 9:00 a.m. on Monday, 12 September 2016 and 9:00 a.m. on Tuesday, 4 October 2016, respectively; 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 (as set out in the section headed “5. Principal terms of the Underwriting Agreement” in Part A of this joint announcement).**

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

Any persons contemplating buying or selling WYT Shares from the date of this joint announcement up to the date on which all the conditions of the Rights Issue is fulfilled, and any dealings in the Rights Shares in their nil-paid form between 9:00 a.m. on Monday, 12 September 2016 and Tuesday, 20 September 2016 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any WYT Shareholders and potential investors contemplating dealing in WYT Shares and/or nil-paid Rights Shares are recommended to consult their own professional advisers.

19. Equity fund-raising exercises in the past 12 months

WYT has not conducted any equity fund raising activities in the past twelve months before the date of this joint announcement.

20. Implications under the Listing Rules

As the Rights Issue will result in an increase in WYT's issued share capital by more than 50%, the Rights Issue is subject to, among other things, the approval by the Independent WYT Shareholders at the WYT SGM. Pursuant to Rule 7.19(6) of the Listing Rules, any controlling shareholder of WYT and their associates, or where there is no such controlling shareholder, the WYT Directors (excluding the independent non-executive WYT Directors), the chief executive of WYT and their respective associates are required to abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this joint announcement, WYT does not have any controlling shareholder.

Please refer to the section headed "1. Circular, WYT SGM and Despatch of the Prospectus Documents" in Part F of this joint announcement.

WYT has established the Independent Board Committee to advise the Independent WYT Shareholders with respect to the Rights Issue, the Bond Transfer Agreement and the Whitewash Waiver, and provide recommendation as to voting. WYT has appointed Beijing Securities Limited as the Independent Financial Adviser (whose appointment has been approved by the Independent Board Committee) to advise the Independent Board Committee and the Independent WYT Shareholders as to the terms of the Rights Issue, the Bond Transfer Agreement and the Whitewash Waiver, and as to voting.

PART B : THE WOG IRREVOCABLE UNDERTAKING AND MAJOR TRANSACTION OF WOG

As at the date of this joint announcement, WOG, through its indirectly wholly-owned subsidiary, Rich Time, is interested in 69,830,735 WYT Shares, representing approximately 22.08% of the issued share capital of WYT.

On 5 July 2016 (after trading hours of the Stock Exchange), Rich Time entered into the WOG Irrevocable Undertaking in favour of WYT, under which it conditionally agreed, among other things:

- (i) to subscribe, or procure its associates to subscribe, for 209,492,205 Rights Shares which comprise the full acceptance of its provisional entitlements;
- (ii) to procure that the WYT Shares comprising its current shareholding in WYT will remain beneficially owned by it on the Record Date;

- (iii) to procure that its acceptance of the 209,492,205 Rights Shares which will be provisionally allotted to it nil-paid under the Rights Issue be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time for Acceptance or otherwise in accordance with the instructions printed on the PAL(s);
- (iv) to apply, or procure its associates to apply, by way of excess application, for 370,000,000 Rights Shares;
- (v) to procure that the EAF(s) for 370,000,000 Rights Shares be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time for Acceptance or otherwise in accordance with the instructions printed on the EAF(s); and
- (vi) to accept, or procure acceptance of all the excess Rights Shares applied for or any lesser number of excess Rights Shares allotted to it and/or its associates (to the extent being allocated by WYT pursuant to the terms of the Underwriting Agreement where the total number of excess Rights Shares available for allocation to Rich Time and/or its associates is less than or equal to the total number of excess Rights Shares applied for by it and/or its associates).

Rich Time's obligations under the WOG Irrevocable Undertaking are conditional upon:-

- (i) the passing of the necessary resolution(s) by the WOG Shareholders at the WOG SGM to approve, among others, the subscription for 209,492,205 Rights Shares comprising Rich Time's provisional entitlement under the Rights Issue and the application for an additional 370,000,000 Rights Shares by way of excess application under the Rights Issue pursuant to the WOG Irrevocable Undertaking; and
- (ii) the conditions of the Rights Issue (other than condition (viii) referred to in the section headed "3. Conditions of the Rights Issue" in Part A of this joint announcement) having been fulfilled.

Financial impact on WOG of the WOG Irrevocable Undertaking

Assuming:

- (i) Rich Time subscribes for its provisional entitlement under the Rights Issue in full in accordance with the terms of the WOG Irrevocable Undertaking;
- (ii) none of the Qualifying WYT Shareholders (other than Rich Time) or the transferees to whom any such Qualifying Shareholders has transferred their provisional entitlements take up the Rights Shares to which they are entitled by the Latest Time for Acceptance or otherwise in accordance with the instructions set out on the relevant PAL(s); and
- (iii) Rich Time receives in full the 370,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WOG Irrevocable Undertaking,

the direct interests of the WOG Group in the issued share capital of WYT immediately upon completion of the Rights Issue will increase from approximately 22.08% to a maximum of approximately 51.32%. WYT will become a subsidiary of WOG and the results of WYT will be consolidated into the WOG Group's financial statements.

Upon completion of the Rights Issue, assuming Rich Time subscribes for its provisional entitlement under the Rights Issue in full in accordance with the terms of the WOG Irrevocable Undertaking:

- (i) but receives none of the 370,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WOG Irrevocable Undertaking, the WOG Group would record a loss of approximately HK\$1.8 million (before deduction of the relevant expenses incurred thereon); or
- (ii) receives in full the 370,000,000 Rights Shares for which it will have made an excess application pursuant to the terms of the WOG Irrevocable Undertaking, the WOG Group would record a net gain (taking into account the potential loss of HK\$1.8 million arising from the subscription for provisional entitlement) of approximately HK\$574.6 million (before deduction of necessary reasonable expenses), which is calculated:
 - (a) on the basis of the audited total equity attributable to owners of WYT of approximately HK\$2,322.5 million for the year ended 31 March 2016;
 - (b) on the basis of WOG's interest in WYT of approximately HK\$571.5 million as at 31 March 2016; and

- (c) by reference to the Rights Issue which is expected to generate net proceeds of approximately HK\$399.8 million (assuming no exercise of the outstanding Share Options before the Record Date) or approximately HK\$399.9 million (assuming full exercise of the outstanding Share Options before the Record Date).

Such potential gain is estimated based on currently available information and is subject to the valuation of the fair value of the net identifiable assets of WYT and to WYT's financial position as at the date of completion of the Rights Issue and is subject to the review by auditors.

Based on the assumptions set out above in this section, Rich Time will pay a maximum aggregate amount of approximately HK\$249.2 million to subscribe 209,492,205 Rights Shares in full for its provisional entitlement and for the 370,000,000 Rights Shares for which it will make an excess application under the Rights Issue pursuant to the WOG Irrevocable Undertaking. The consideration will be fully satisfied in cash and will be financed entirely by the internal resources of the WOG Group.

Reasons for the WOG Irrevocable Undertaking

Based on the following reasons, the WOG Directors consider the terms of the WOG Irrevocable Undertaking are fair and reasonable and believe that the subscription of Rights Shares (including by way of excess application) pursuant to the WOG Irrevocable Undertaking is in the best interests of WOG and the WOG Shareholders as a whole:

- (i) **Participation in WYT's growth:** The WOG Board is optimistic about the future prospect of WYT and believes that the Rights Issue will strengthen the capital base of WYT so that WYT will be in a position to capture more business opportunities associated with its principal business engagements ahead. In addition, the WOG Irrevocable Undertaking is given in order to support and maintain the value of the WOG Group's investment in WYT and the excess application to be made thereunder to increase its shareholding in WYT will provide the WOG Group an opportunity to participate in additional future returns of WYT.

- (ii) **Subscription of Rights Shares:** On the basis that, in addition to the Rights Shares to which Rich Time is provisionally entitled under the Rights Issue, it will receive in full the 370,000,000 Rights Shares for which it will have made an excess application pursuant to the WOG Irrevocable Undertaking, the WOG Group will have a maximum shareholding interest of up to approximately 51.32% in WYT upon completion of the Rights Issue, remain as the single largest WYT Shareholder and WYT will become subsidiary of WOG. The WOG Group may then enjoy any benefits from consolidating the financial results of the WYT Group.
- (iii) **Subscription Price:** Given that the Subscription Price represents: (a) a discount of approximately 48.81% to the closing price of HK\$0.84 per WYT Share as quoted on the Stock Exchange on the Last Trading Day, (b) a discount of approximately 18.87% to the theoretical ex-entitlement price of approximately HK\$0.53 per WYT Share after the Rights Issue, based on the closing price of HK\$0.84 per WYT Share as quoted on the Stock Exchange on the Last Trading Day, and (c) a discount of approximately 94.14% to the audited total equity attributable to the owners of WYT per WYT Share of approximately HK\$7.34 as at 31 March 2016, the WOG Board considers the Subscription Price to be attractive and that the Rights Issue is a valuable opportunity for the WOG Group to increase its shareholding in WYT.

The following information for the two financial years ended 31 March 2016 and 2015 is extracted from the 2016 annual report of WYT:

	For the financial year ended 31 March 2016 (HK\$'000)	For the financial year ended 31 March 2015 (HK\$'000)
Revenue	825,331	831,088
Profit before taxation	29,066	120,778
Profit for the year	25,227	120,851

PART C : MAJOR AND CONNECTED TRANSACTION FOR WYT IN RELATION TO THE ACQUISITION OF THE BOND PURSUANT TO THE BOND TRANSFER AGREEMENT AND DISCLOSEABLE TRANSACTION FOR WOG IN RELATION TO THE DISPOSAL OF THE BOND PURSUANT TO THE BOND TRANSFER AGREEMENT

Winning Rich, an indirectly wholly-owned subsidiary of WYT, has entered into the Bond Transfer Agreement with Double Leads, a subsidiary of WOG, and WOG in respect of the acquisition of the Bond from Double Leads as guaranteed by WOG. WYT proposes to acquire the Bond using part of the proceeds from the Rights Issue as set out in ‘7. Use of proceeds of the Rights Issue’ in Part A of this joint announcement. Particulars of the Bond and the Bond Transfer Agreement are set out respectively as follows:-

The Bond

Denominations:	HK\$500,000 and integral multiples of HK\$500,000
Maturity Date:	28 November 2019
Interest:	10.0% per annum, payable semi-annually in arrears on each six calendar month anniversary of 28 November 2014 (the “ Issue Date ”) commencing on the date falling six calendar months from the Issue Date.
Status:	The Bond will constitute direct, unconditional, unsecured and unsubordinated obligations of CAP which will rank <i>pari passu</i> among themselves and at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of CAP other than those preferred by statute or applicable law.

Events of default:

The events of default under the Bond include, among others, default in payment of principal or interest of the Bond, default in the performance or breach of certain obligation under the Bond and insolvency.

If an event of default occurs, the unpaid principal amount of the Bond and any accrued and unpaid interest thereon may become due and payable immediately, subject to certain declaration and notice provisions.

Redemption for
taxation reasons:

The Bond may be redeemed at the option of the CAP in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice, at their principal amount, (together with interest accrued to the date fixed for redemption), in the event of certain changes affecting taxes of Bermuda, the PRC or Hong Kong.

Save for the abovementioned redemption, CAP does not have the rights to redeem at its option the Bond before the maturity date.

Negative pledge:

So long as any Bond remains outstanding, CAP will not, and will ensure that none of its principal subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure certain relevant indebtedness or to secure any guarantee or indemnity in respect of such relevant indebtedness, without at the same time or prior thereto according to the Bond the same security as is created or subsisting to secure any such relevant indebtedness, guarantee or indemnity or such other security as either (i) the trustee of the Bond shall in its absolute discretion deem not materially less beneficial to the interest of the holders of the Bond or (ii) shall be approved by an extraordinary resolution of the holders of the Bond.

The Bond Transfer Agreement

Date: 5 July 2016 (after trading hours of the Stock Exchange and amended by a supplemental agreement dated 8 July 2016)

Parties: Double Leads, as vendor
WOG, as guarantor
Winning Rich, as purchaser

Winning Rich is an indirectly wholly-owned subsidiary of WYT which is principally engaged in investment holding.

Double Leads is an indirectly wholly-owned subsidiary of WOG which is principally engaged in investment holding.

WOG and its subsidiaries are principally engaged in the businesses of management and sub-licensing of Chinese wet markets and the provision of finance in Hong Kong and the PRC as well as the property investment and property development in Hong Kong through WOG's listed subsidiary, Wang On Properties Limited, and holding other investment in WYT.

Subject matter and consideration:

Winning Rich will acquire the Bond from Double Leads at a consideration being at par to the outstanding principal amount of the Bond, being HK\$200,000,000 subject to upward adjustments for any accrued but unpaid interest on the Bond up to and including the date of completion of the transactions contemplated under the Bond Transfer Agreement. The consideration is payable by Winning Rich in cash using net proceeds from the Rights Issue (as to HK\$200,000,000) and internal resources (as to remainder of the consideration in respect of interest accrued and unpaid).

Condition: The Bond Transfer Agreement is conditional upon the (i) completion of the Rights Issue; (ii) approval by the Independent WYT Shareholders of the relevant resolutions at the WYT SGM; and (iii) service of a notice of completion by Winning Rich on Double Leads.

If completion of the transaction does not take place by the Long Stop Date, the Bond Transfer Agreement shall terminate without any liabilities to all parties.

The notice of completion is expected to be served upon completion of the Rights Issue but Winning Rich is not obliged under the Bond Transfer Agreement to serve such notice whether or not the conditions under the Bond Transfer Agreement are satisfied.

Guarantee: WOG will guarantee the due and punctual performance of CAP's obligations under the Bond in favour of Winning Rich.

The original costs to WOG in respect of the acquisition of the Bond was HK\$200,000,000.

Reasons for entering into the Bond Transfer Agreement

The Bond bears interest at 10.0% per annum payable semi-annually. As the substantial portion of the consideration under the Bond Transfer Agreement will be funded by proceeds from the Rights Issue which is interest free, the WYT Board considers that an investment for a 10% return funded with interest free capital is in the interest of WYT and the WYT Shareholders as a whole. In addition, WOG has also provided a guarantee in respect of the payment obligations of CAP under the Bond. This has added protection to the WYT Group's investment in the Bond and is in the interest of the WYT Group.

The WYT Directors (excluding the independent non-executive WYT Directors whose view will be set out in the circular to be despatched after having been advised by the Independent Financial Adviser) are of the view that the terms and conditions of the Bond Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interests of WYT and the Independent WYT Shareholders as a whole.

As Double Leads is a subsidiary of WOG, which in turn is a substantial WYT Shareholder and a connected person of WYT, and as the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of the Bond under the Bond Transfer Agreement exceed 25% and are below 100%, the acquisition of the Bond under the Bond Transfer Agreement and the transactions contemplated thereunder constitute a major and connected transaction of WYT which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14A and 14 of the Listing Rules.

The WOG Directors consider that the disposal of the Bond as guaranteed by WOG can provide immediate liquidity to the WOG Group for its business development, and believe that the terms and conditions of the Bond Transfer Agreement are fair and reasonable, and that the entry by WOG and Double Leads of the Bond Transfer Agreement and the transactions contemplated thereunder is in the interest of WOG and the WOG Shareholders as a whole.

As one of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the disposal of the Bond by Double Leads pursuant to the Bond Transfer Agreement exceeds 5% but is less than 25%, the transactions under the Bond Transfer Agreement constitute a discloseable transaction for WOG and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

PART D : APPLICATION FOR WHITEWASH WAIVER UNDER THE TAKEOVERS CODE AND FURTHER INFORMATION ON THE WOG GROUP

1. Application for the Whitewash Waiver

As at the date of this joint announcement, the WOG Group holds 69,830,735 WYT Shares, representing approximately 22.08% of the issued share capital and voting rights of WYT.

If no WYT Shareholder other than Rich Time takes up its own entitlement under the Rights Issue and applies for and being allocated in full the excess Rights Shares pursuant to the WOG Irrevocable Undertaking, the voting rights in WYT held by the WOG Group will increase from approximately 22.08% to a maximum of approximately 51.32%. The WOG Group will, as a result of this acquisition of voting rights in WYT, incur an obligation to make a mandatory offer for all the WYT Shares other than those already held or agreed to be acquired by the WOG Group, unless the Whitewash Waiver is granted. The grant of the Whitewash Waiver is a condition precedent to the underwriting obligations of the Underwriter, which may not be waived. If the Whitewash Waiver is not granted, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, among other things, the approval of the Independent WYT Shareholders at the WYT SGM by way of poll. WOG and persons acting in concert with it and persons who are interested or involved in the Rights Issue, the Underwriting Agreement, the WOG Irrevocable Undertaking, the Bond Transfer Agreement and/or the Whitewash Waiver are required under the Takeovers Code to abstain from voting on the resolutions to be proposed at the WYT SGM to approve the Whitewash Waiver.

As at the date of this joint announcement, WYT does not believe that the Rights Issue gives rise to any concerns in relation to compliance with applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this joint announcement, WYT will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in relation to, among others, the Rights Issue. WYT notes that the Executive may not grant the Whitewash Waiver if the Rights Issue does not comply with other applicable rules and regulations.

2. Further information on the WOG Group

As at the date of this joint announcement:

- (i) save for WOG Group's shareholding interest in WYT as disclosed above, none of the members of the WOG Concert Group holds or has control or direction over any other shares, rights over shares, convertible securities, warrants or options of WYT, and has not entered into any outstanding derivatives in respect of the securities of WYT;
- (ii) none of the members of the WOG Concert Group has had any dealings in any securities of WYT in the six-month period preceding the date of this joint announcement;
- (iii) none of the members of the WOG Concert Group has had received any irrevocable commitment to vote for or against the proposed resolution approving the Rights Issue, the Bond Transfer Agreement and/or the Whitewash Waiver at the WYT SGM;
- (iv) save for the transactions contemplated under the Underwriting Agreement and the WOG Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the WYT Shares or the shares of WOG and which may be material to the Rights Issue or the Whitewash Waiver;

- (v) save for the WOG Irrevocable Undertaking, there is no arrangement or agreement to which any member of the WOG Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Rights Issue or the Whitewash Waiver; and
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in WYT which any member in the WOG Concert Group has borrowed or lent.

PART E : MAJOR TRANSACTION OF WYT IN RELATION TO THE SZ REMOVAL AGREEMENT AND THE SZ SUPPLEMENTAL AGREEMENTS ENTERED INTO IN RESPECT OF THE SZ ACQUISITION

References are made to WYT's announcements dated 20 July 2015, 20 October 2015, 30 December 2015, 24 February 2016 and 27 April 2016 in relation to the SZ Acquisition.

In furtherance to the development of the SZ Properties site subsequent to the anticipated completion of the SZ Acquisition, on 5 July 2016, the SZ Purchaser entered into the SZ Removal Agreement and the SZ Supplemental Agreements in respect of the SZ Acquisition involving an aggregated consideration of HK\$28 million. The SZ Removal Agreement and the SZ Supplemental Agreements are conditional upon the approval by the WYT Shareholders at the WYT SGM. Particulars of the SZ Removal Agreement and the SZ Supplemental Agreements are set out as follows:-

The SZ Removal Agreement

Date:	5 July 2016
Parties:	Caffco The SZ Vendor The SZ Purchaser
Subject Matter:	Under the SZ Removal Agreement, Caffco has agreed to procure vacation of all tenants, licensees and occupiers from the SZ Properties on or before the date of completion of the SZ Acquisition.

Consideration: HK\$9,000,000 will be payable by SZ Purchaser in cash within seven working days from the date on which vacant possession of the SZ Properties has been obtained following completion.

The consideration was determined upon arm's length negotiations among the parties taking into account the anticipated compensation required to be paid to the existing tenants, licensees and occupiers.

The SZ Supplemental Agreements

Date: 5 July 2016

Parties: The SZ Vendor
The SZ Purchaser

Subject Matter: the SZ Vendor will sell certain existing fittings on the SZ Properties to the SZ Purchaser, as well as provide various consultation services to the SZ Purchaser in respect of laboratory designs, sewage discharge, fire services engineering and governmental liaison in connection with the development of the SZ Properties site for use in the WYT Group's pharmaceutical business.

Consideration: HK\$19 million in aggregate will be payable by the SZ Purchaser to the SZ Vendor in cash within 180 days of the date of the SZ Supplemental Agreements.

The consideration under the respective Supplemental Agreements was determined after arm's length negotiations between the SZ Vendor and the SZ Purchaser after taking into account, among other things, certain unique and know-how knowledge, expertise and technique, prevailing market rates in respect of services to be rendered and the specific fittings and chattels to be acquired taking into account effects of amortisation.

The SZ Vendor and Caffco are principally engaged in property holding and investment holding, respectively, and they are not WYT Shareholders as at the date of this joint announcement. To the best of the WYT Directors' knowledge, information and belief having made all reasonable enquiry, the SZ Vendor, Caffco and their ultimate beneficial owners are Independent Third Parties.

Taking into account factors including that the rendering of the services and acquisition of existing fittings (as the case may be) under the SZ Removal Agreement and the SZ Supplemental Agreements can facilitate a more efficient development of the SZ Properties site to put it into operations, the WYT Directors are of the view that the terms of the SZ Removal Agreement and the SZ Supplemental Agreements are fair and reasonable and the entry into these agreements is in the interest of WYT and the WYT Shareholders as a whole.

As one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 25% and is less than 100% on an aggregated basis taking also into account the transactions contemplated under the SZ Provisional Agreement, the SZ Removal Agreement, the SZ Supplemental Agreements and the transactions contemplated thereunder constitute a major transaction of WYT and are subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

PART F : GENERAL MATTERS

1. Circular, WYT SGM and Despatch of the Prospectus Documents

A circular containing, among other things:

- (i) further details of the Rights Issue, the Bond Transfer Agreement, the Whitewash Waiver, the SZ Removal Agreement and the SZ Supplemental Agreements and the respective transactions contemplated thereunder;
- (ii) a letter of recommendation from the Independent Board Committee to the Independent WYT Shareholders in respect of the Rights Issue, the Bond Transfer Agreement, the Whitewash Waiver and the transactions contemplated respectively thereunder;
- (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent WYT Shareholders on the Rights Issue, the Bond Transfer Agreement, the Whitewash Waiver and the transactions contemplated respectively thereunder; and
- (iv) a notice convening the WYT SGM,

is expected to be despatched to the WYT Shareholders on or before Tuesday, 9 August 2016 which is more than 15 business days or 21 days from the date of this joint announcement as additional time is expected to be required to finalise information in the circular. An application will be made by WYT to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code so that the despatch date of the circular can be extended.

The WYT SGM will be convened and held for the WYT Shareholders (or the Independent WYT Shareholders, as the case may be), to consider and, if thought fit, to approve, among other things:

- (i) the Rights Issue;
- (ii) the Bond Transfer Agreement;
- (iii) the SZ Removal Agreement and the SZ Supplemental Agreements; and
- (iv) the Whitewash Waiver,

each in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

Upon the approval of the Rights Issue, the Whitewash Waiver by the Independent WYT Shareholders at the WYT SGM, the Prospectus Documents setting out, among other things, details of the WOG Irrevocable Undertaking, the Underwriting Agreement and the Rights Issue will be despatched to the Qualifying WYT Shareholders as soon as practicable and the Prospectus will be despatched to the Excluded WYT Shareholders for information purposes only.

2. The WOG SGM

A circular containing, among other things, further details of the WOG Irrevocable Undertaking and a notice convening the WOG SGM is expected to be despatched to the WOG Shareholders on or before Tuesday, 9 August 2016 which is more than 15 business days from the date of this joint announcement as additional time is expected to be required to finalise information in the circular.

The WOG SGM will be convened and held for the WOG Shareholders to consider and, if thought fit, to approve the WOG Irrevocable Undertaking and the transactions contemplated thereunder.

PART G : RESUMPTION OF TRADING

At the request of WYT, trading in WYT Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 6 July 2016 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the WYT Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 11 July 2016.

At the request of WOG, trading in WOG Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 6 July 2016 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the WOG Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 11 July 2016.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Application Forms”	collectively, the EAF(s) and the PAL(s)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Bond”	a 10% bond due on 28 November 2019 with an outstanding principal amount of HK\$200,000,000 issued by CAP as held by Double Leads as of the date of this joint announcement, being the subject of the Bond Transfer Agreement
“Bond Transfer Agreement”	a conditional sale and purchase agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016) entered into between Double Leads, WOG and Winning Rich under which Winning Rich will acquire the Bond from Double Leads and WOG will provide a guarantee in favour of Winning Rich for the due and punctual performance of CAP under the Bond
“Bye-Laws”	the bye-laws of WYT
“Caffco”	Caffco International Ltd, a company incorporated in Hong Kong with limited liability and an Independent Third Party

“CAP”	China Agri-Products Exchange Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 0149)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Companies Act”	Companies Act 1981 of Bermuda
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Double Leads”	Double Leads Investments Limited, an indirectly wholly-owned subsidiary of WOG and a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding
“EAF(s)”	the forms of application for excess Rights Shares
“Excluded WYT Shareholder(s)”	the Overseas WYT Shareholder(s) whose registered addresses in WYT’s register of members as at the Record Date are in places 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 WYT Shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate(s)
“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 Board Committee”	an independent committee of the WYT Board comprising all of the four independent non-executive WYT Directors formed for the purpose of advising the Independent WYT Shareholder(s) on the Rights Issue, the Bond Transfer Agreement and the Whitewash Waiver
“Independent Financial Adviser”	Beijing Securities Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities which has been appointed (whose appointment has been approved by the Independent Board Committee) as the independent financial adviser to advise the Independent Board Committee and the Independent WYT Shareholders on the Rights Issue, the Bond Transfer Agreement and the Whitewash Waiver, and as to voting at the WYT SGM
“Independent Third Party(ies)”	<p>a person who:</p> <ul style="list-style-type: none"> <li data-bbox="606 1095 1445 1308">(i) is not (and will not become as a result of the consummation of the Rights Issue) a connected person of WYT and is not deemed a connected person of WYT pursuant to Rules 14A.19 to 14A.21 of the Listing Rules; <li data-bbox="606 1368 1445 1449">(ii) is not financing the subscription of the Rights Shares directly or indirectly by a connected person of WYT; <li data-bbox="606 1502 1445 1715">(iii) is not accustomed to taking instructions from a connected person of WYT in relation to the acquisition, disposal, voting or other disposition of securities of WYT registered in its name or otherwise held by it; and <li data-bbox="606 1772 1445 1940">(iv) would not result in its aggregate holding (direct and indirect) in the total issued share capital of WYT being 10.0% or more of WYT’s entire issued share capital at any time

“Independent WYT Shareholders”	WYT Shareholders other than (i) the WYT Directors (excluding members of the Independent Board Committee), chief executive of WYT and their respective associates; (ii) members of the WOG Concert Group and (iii) any WYT Shareholders who are involved in, or interested in, or have a material interest in the Rights Issue, the Bond Transfer Agreement and/or the Whitewash Waiver
“Last Trading Day”	Tuesday, 5 July 2016, being the last trading day for the WYT Shares on the Stock Exchange before the release of this joint announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 23 September 2016 or such later time or date as may be agreed between the Underwriter and WYT in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on the fourth business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and WYT in writing, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 October 2016, or such other date as the parties may mutually agree in writing
“Overseas WYT Shareholder(s)”	WYT Shareholder(s) whose address(es) on the register of members of WYT on the Record Date are outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China

“Prospectus”	the prospectus to be despatched to the Qualifying WYT Shareholders (and the Excluded WYT Shareholder(s) for information only) 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”	Thursday, 8 September 2016 or such other day as may be agreed between WYT and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying WYT Shareholder(s)”	WYT Shareholder(s), whose names appear on the register of members of WYT as at the Record Date, other than the Excluded WYT Shareholders
“Record Date”	Wednesday, 7 September 2016, being the date 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rich Time”	Rich Time Strategy Limited, an indirectly wholly-owned subsidiary of WOG and a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding
“Rights Issue”	the proposed issue of the Rights Shares by way of rights to the Qualifying WYT Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarised herein
“Rights Share(s)”	Not less than 948,857,166 WYT Shares and not more than 949,013,133 WYT Shares proposed to be offered to the Qualifying WYT Shareholders for subscription on the basis of Three (3) Rights Shares for every One (1) WYT Share held on the Record Date pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option(s)”	the options issued or to be issued under the share option schemes adopted by the WYT Shareholders at the general meetings of WYT held on 18 September 2003 and 22 August 2013
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$0.43
“subsidiaries”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“SZ Acquisition”	means the acquisition by the SZ Purchaser of the SZ Properties, details of which are set out in the announcements of WYT dated 20 July 2015, 20 October 2015, 30 December 2015, 24 February 2016 and 27 April 2016, respectively
“SZ Properties”	a factory building and two dormitory buildings erected on the Land Lot No. G12204-0126 located at Nanbu Village, Pingshan Town, Shenzhen, the PRC, with a gross floor area of approximately 19,475 square meters
“SZ Provisional Agreement”	the provisional sale and purchase agreement dated 16 July 2015 entered into between the SZ Purchaser and the SZ Vendor in relation to the SZ Acquisition, as supplemented by supplemental agreements dated 16 October 2015, 29 December 2015, 24 February 2016 and 27 April 2016

“SZ Purchaser”	New Grade Limited, an indirectly wholly-owned subsidiary of WYT and a company incorporated in Hong Kong with limited liability, which is principally engaged in property holding
“SZ Removal Agreement”	the agreement dated 5 July 2016 entered into between Caffco, the SZ Vendor and the SZ Purchaser in respect of procurement for vacation of the SZ Properties, details of which are set out in Part E of this joint announcement
“SZ Supplemental Agreements”	five agreements all dated 5 July 2016 entered into between the SZ Vendor and the SZ Purchaser in relation to sale and purchase of certain existing fittings and various consultation services to the SZ Purchaser, details of which are set out in Part E of this joint announcement
“SZ Vendor”	The Sky High Plastic Works Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Takeovers Code”	The Code on Takeovers and Mergers promulgated by the SFC
“Underwriter”	Kingston Securities Limited, a corporation licensed by the SFC to carry out business in type 1 regulated activity (dealing in securities) under the SFO
“Underwriting Agreement”	the underwriting agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016) entered into between WYT and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	all the Rights Shares in excess of the aggregate of: (i) 209,492,205 Rights Shares that will be provisionally allotted to and subscribed for by Rich Time (or its associates) pursuant to the WOG Irrevocable Undertaking; and (ii) 370,000,000 Rights Shares for which Rich Time (or its associates) will subscribe by way of excess application pursuant to the WOG Irrevocable Undertaking, which are fully underwritten by the Underwriter pursuant to the terms and subject to the conditions of the Underwriting Agreement

“Untaken Shares”	all those Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on the applications which are honoured on first, or at the option of WYT, subsequent presentation) have not been lodged for acceptance by Qualifying WYT Shareholders, or received, as the case may be, on or before the Latest Time for Acceptance
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code in respect of the obligation of WOG to make a general offer for all the issued WYT Shares not already owned or agreed to be acquired by WOG and parties acting in concert with it which may otherwise arise as a result of the subscription of the Rights Shares by members of the WOG Group pursuant to the WOG Irrevocable Undertaking
“Winning Rich”	Winning Rich Investments Limited, an indirectly wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors
“WOG Concert Group”	WOG and persons acting in concert with it (within the meaning of the Takeovers Code)
“WOG Director(s)”	the director(s) of WOG
“WOG Group”	WOG and its subsidiaries
“WOG Irrevocable Undertaking”	an irrevocable undertaking dated 5 July 2016 given by Rich Time in favour of WYT as described in Part B of this joint announcement

* *For identification purpose only*

“WOG SGM”	the special general meeting of WOG to be convened and held to consider and approve, among other things, the WOG Irrevocable Undertaking, details of which are set out in Part B of this joint announcement
“WOG Shareholder(s)”	the holder(s) of ordinary share(s) of HK\$0.01 each in the issued share capital of WOG
“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 and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“WYT Board”	the board of the WYT Directors
“WYT Director(s)”	the director(s) of WYT
“WYT Group”	WYT and its subsidiaries
“WYT SGM”	the special general meeting of WYT to be convened and held to consider and approve, among other things, the Rights Issue, the Bond Transfer Agreement, the SZ Removal Agreement and the SZ Supplemental Agreements and the Whitewash Waiver
“WYT Shareholder(s)”	the holder(s) of the WYT Share(s)
“WYT Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WYT
“%”	per cent.

By Order of the WYT Board
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Tang Mui Fun
Director

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

Hong Kong, 8 July 2016

* *For identification purpose only*

As at the date of this joint announcement, the WYT Board comprises Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun, as the executive WYT Directors, and Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David, as the independent non-executive WYT Directors.

The WYT Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to WOG) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by WOG or the WOG Board) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

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

The WOG Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to WYT) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by WYT or the WYT Board) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.