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



**WAI YUEN TONG MEDICINE  
HOLDINGS LIMITED**  
(位元堂藥業控股有限公司\*)  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 897)

**JOINT ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTIONS**

**REGARDING**

**THE PROVISION OF FINANCIAL ASSISTANCE**

**PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of WYT dated 5 October 2016 in relation to the granting of the WYT 2016 Loan Facility by the Lender, an indirectly wholly-owned subsidiary of WYT, to the Borrower under the WYT 2016 Loan Agreement. On 18 September 2018, the Lender and the Borrower entered into the WYT 2018 Loan Agreement to re-finance the WYT 2016 Loan Facility of not exceeding a sum of HK\$65 million for a term of 36 months at an interest rate of 7.0% per annum and on the same day, the WYT 2016 Loan Agreement was terminated pursuant to a termination agreement entered into between the Lender and the Borrower.

**IMPLICATIONS UNDER THE LISTING RULES**

**In respect of WOG**

The transaction contemplated under the WYT 2018 Loan Agreement: (i) on a standalone basis does not constitute a discloseable transaction for WOG and is not subject to any disclosure requirement under Chapter 14 of the Listing Rules; (ii) when aggregated with the WOG Recent Loan Agreement, constitutes a discloseable transaction for WOG pursuant to Rules 14.06(2) and 14.22 of the Listing Rules on the basis that one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5% and is below 25%; and (iii) when aggregated with the WOG Recent Loan Agreement and the WOG Previous Loan Agreement, would not result in a higher transaction classification under Chapter 14 of the Listing Rules. The transaction contemplated under the WYT 2018 Loan Agreement, as aggregated with the WOG Recent Loan Agreement, is therefore only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

\* For identification purpose only

### **In respect of WYT**

The transaction contemplated under the WYT 2018 Loan Agreement constitutes a discloseable transaction for WYT pursuant to Rule 14.06(2) of the Listing Rules as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the WYT 2018 Loan Agreement exceeds 5% but is below 25%, and is therefore only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of WYT dated 5 October 2016 in relation to the granting of the WYT 2016 Loan Facility by the Lender, an indirectly wholly-owned subsidiary of WYT, to the Borrower under the WYT 2016 Loan Agreement. On 18 September 2018, the Lender and the Borrower entered into the WYT 2018 Loan Agreement to re-finance the WYT 2016 Loan Facility of not exceeding a sum of HK\$65 million for a term of 36 months at an interest rate of 7.0% per annum and on the same day, the WYT 2016 Loan Agreement was terminated pursuant to a termination agreement entered into between the Lender and the Borrower.

### **THE WYT 2018 LOAN AGREEMENT**

- Date : 18 September 2018
- Lender : Able Trend, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by WYT as at the date of this joint announcement. The Lender is principally engaged in investment holding.
- Borrower : Easy One, a company incorporated under the laws of the Cayman Islands and continued in Bermuda with limited liability. Easy One and its subsidiaries are principally engaged in the businesses of property development in the PRC, provision of finance and securities brokerage services in Hong Kong.
- Loan facility : an unsecured revolving loan facility of not exceeding a sum of HK\$65 million
- Interest rate : 7.0% per annum, which was determined with reference to the prevailing market situation
- Loan period : 36 months commencing from 18 September 2018, being the date of the WYT 2018 Loan Agreement, and expiring on 17 September 2021

The WYT 2018 Loan Facility may be drawn down by the Borrower from time to time during the Availability Period. The interests accrued on each drawdown under the WYT 2018 Loan Facility shall be payable on a quarterly basis commencing from the date of each drawdown or on such other date as agreed between the Lender and the Borrower, and the outstanding principal amount of the WYT 2018 Loan Facility and all outstanding interest thereon (if any) shall, in any event, be repayable by the Borrower no later than the Repayment Date. The WYT 2018 Loan Facility granted by the Lender to the Borrower will be funded by the internal resources of the WYT Group.

As at the date of this joint announcement, WOG is holding approximately 56.54% equity interest in WYT, which in turn is an indirect substantial shareholder of Easy One holding approximately 29.06% equity interest in Easy One. As at the date hereof, Mr. Chan Chun Hong, Thomas, an executive director of each of WOG and WYT, is also an executive director of Easy One. Save for the foregoing, to the best of the knowledge, information and belief of the WOG Directors and WYT Directors after making all reasonable enquiries, Easy One and its associates are third parties independent of and not connected with WOG and WYT and their respective connected person(s).

As at the date of this joint announcement, the Borrower is indebted to the WOG Group in an aggregate principal amount of HK\$215 million (excluding interest incurred thereon), as to HK\$150 million under the WOG Previous Loan Agreement, details of which are set out in the announcement of WOG dated 12 April 2017, and as to HK\$65 million under the WYT 2018 Loan Agreement. As at the date of this joint announcement, no drawdown was made by the Borrower under the WOG Recent Loan Agreement.

#### **INFORMATION ON THE CREDIT RISK RELATING TO THE WYT 2018 LOAN FACILITY**

The granting of the WYT 2018 Loan Facility was made on the basis of the credit assessments made by WOG and WYT on the financial strength, repayment record and repayment ability of the Borrower. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, each of WOG and WYT considers that the risks involved in the granting of the WYT 2018 Loan Facility are relatively low.

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE WYT 2018 LOAN AGREEMENT**

The WOG Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through its 75%-listed non wholly-owned subsidiary, Wang On Properties Limited (Stock Code: 1243); and (iii) manufacturing and/or retailing of pharmaceutical and health food products through its 56.54%-listed non wholly-owned subsidiary, WYT.

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

The Lender is an indirectly wholly-owned subsidiary of WYT and is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding.

Taking into account the principal business activities of the WOG Group, the entering into of the WYT 2018 Loan Agreement is in the ordinary and usual course of business of the WOG Group. The terms of the WYT 2018 Loan Agreement were negotiated on an arm’s length basis between the Lender and the Borrower. Both the WOG Directors and the WYT Directors believe that the WYT 2018 Loan Agreement can generate a stable and higher return to the shareholders of each of WOG and WYT comparing with the interests earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong. In addition, WYT is the single largest shareholder of the Borrower. In view of the development prospects of the Borrower, both the WOG Directors and the WYT Directors consider that it is in the interest of the shareholders of each of WOG and WYT to continue to support the development of the Borrower by way of loan financing with an aim to generate return to the shareholders of each of WOG and WYT in long run. The WOG Directors consider that the terms of the WYT 2018 Loan Agreement are on normal commercial terms, fair and reasonable and the entering into of the WYT 2018 Loan Agreement is in the interest of WOG and its shareholders as a whole. The WYT Directors also consider that the terms of the WYT 2018 Loan Agreement are on normal commercial terms, fair and reasonable and the entering into of the WYT 2018 Loan Agreement is in the interest of WYT and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **In respect of WOG**

The transaction contemplated under the WYT 2018 Loan Agreement: (i) on a standalone basis does not constitute a discloseable transaction for WOG and is not subject to any disclosure requirement under Chapter 14 of the Listing Rules; (ii) when aggregated with the WOG Recent Loan Agreement, constitutes a discloseable transaction for WOG pursuant to Rules 14.06(2) and 14.22 of the Listing Rules on the basis that one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5% and is below 25%; and (iii) when aggregated with the WOG Recent Loan Agreement and the WOG Previous Loan Agreement, would not result in a higher transaction classification under Chapter 14 of the Listing Rules. The transaction contemplated under the WYT 2018 Loan Agreement, as aggregated with the WOG Recent Loan Agreement, is therefore only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **In respect of WYT**

The transaction contemplated under the WYT 2018 Loan Agreement constitutes a discloseable transaction for WYT pursuant to Rule 14.06(2) of the Listing Rules as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the WYT 2018 Loan Agreement exceeds 5% but is below 25%, and is therefore only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Availability Period”	the period commencing from 18 September 2018, being the date of the WYT 2018 Loan Agreement and ending on the earlier of (a) the date falling one month prior to the Repayment Date; and (b) the date on which the WYT 2018 Loan Facility is cancelled or terminated under the provision of the WYT 2018 Loan Agreement
“Borrower” or “Easy One”	Easy One Financial Group Limited 易易壹金融集團有限公司, a company incorporated under the laws of the Cayman Islands and continued in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 221), being the borrower under the WYT 2016 Loan Agreement, the WYT 2018 Loan Agreement, the WOG Recent Loan Agreement and the WOG Previous Loan Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Emperor Smart”	Emperor Smart Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOG
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender” or “Able Trend”	Able Trend Limited, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WYT

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repayment Date”	17 September 2021, being the date falling on the expiry of 36 months from the date of the WYT 2018 Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors
“WOG Director(s)”	the director(s) of WOG
“WOG Group”	WOG and its subsidiaries
“WOG Previous Loan Agreement”	the loan agreement dated 12 April 2017 entered into between Emperor Smart and the Borrower pursuant to which Emperor Smart agreed to grant a loan facility of not exceeding a sum of HK\$200 million to the Borrower
“WOG Recent Loan Agreement”	the loan agreement dated 23 July 2018 entered into between Emperor Smart and the Borrower pursuant to which Emperor Smart agreed to grant a loan facility of not exceeding a sum of HK\$100 million to the Borrower
“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 whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897), and is a 56.54%-owned subsidiary of WOG
“WYT Board”	the board of the WYT Directors

\* For identification purpose only

“WYT Director(s)”	the director(s) of WYT
“WYT Group”	WYT and its subsidiaries
“WYT 2016 Loan Agreement”	the loan agreement dated 5 October 2016 entered into between the Lender and the Borrower pursuant to which the Lender agreed to grant the WYT 2016 Loan Facility to the Borrower
“WYT 2016 Loan Facility”	an unsecured revolving loan facility of not exceeding a sum of HK\$100 million granted by the Lender to the Borrower under the WYT 2016 Loan Agreement
“WYT 2018 Loan Agreement”	the loan agreement dated 18 September 2018 entered into between the Lender and the Borrower pursuant to which the Lender agreed to grant the WYT 2018 Loan Facility to the Borrower
“WYT 2018 Loan Facility”	an unsecured revolving loan facility of not exceeding a sum of HK\$65 million granted by the Lender to the Borrower under the WYT 2018 Loan Agreement
“%”	per cent.

By Order of the WOG Board  
**WANG ON GROUP LIMITED**  
(宏安集團有限公司)\*  
**Chan Chun Hong, Thomas**  
*Managing Director*

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*

Hong Kong, 18 September 2018

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

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

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