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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) PLACING OF NEW SHARES
UNDER GENERAL MANDATE;
- (2) PLACING OF CONVERTIBLE
NOTE; AND
- (3) 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) DISCLOSEABLE TRANSACTION –
DISPOSAL OF EXISTING SHARES
IN WAI YUEN TONG MEDICINE
HOLDINGS LIMITED; AND
- (2) RESUMPTION OF TRADING

PLACING AGENT OF WAI YUEN TONG MEDICINE HOLDINGS LIMITED



KINGSTON SECURITIES LIMITED

PLACING AGENT OF WANG ON GROUP LIMITED



DBS Asia Capital Limited

THE SHARE PLACING AGREEMENT

On 11 June 2007, WYT and the WYT Placing Agent entered into the Share Placing Agreement pursuant to which WYT has conditionally agreed to place, through the WYT Placing Agent on a fully underwritten basis, 279,000,000 Placing Shares to independent investors at a price of HK\$0.46 per Placing Share.

The 279,000,000 Placing Shares under the Share Placing represent (i) approximately 19.98% of the existing issued share capital of WYT of 1,396,347,688 WYT Shares as at the date of this announcement; (ii) approximately 16.65% of WYT's issued share capital of 1,675,347,688 WYT Shares as enlarged by the Share Placing.

The Placing Price of HK\$0.46 represents a discount of approximately 17.86% to the benchmarked price of the WYT Shares, which is the higher of (i) the closing price of HK\$0.56 per WYT Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average closing price per WYT Share of HK\$0.449 in the last five consecutive trading days prior to the date of the Share Placing Agreement. The Placing Price of HK\$0.46 also represents a premium of approximately 19.79% over the average closing price per WYT Share of HK\$0.384 in the last ten consecutive trading days prior to the date of the Share Placing Agreement.

The net proceeds of approximately HK\$124.1 million from the Share Placing is intended to be used as to approximately HK\$70 million for the expansion of retail network in the PRC and Hong Kong and the remaining balance for general working capital of the WYT Group.

* For identification purpose only

The Share Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

Completion of the Share Placing is subject to the satisfaction of the conditions precedent in the Share Placing Agreement.

As the Share Placing may or may not proceed, the WYT Shareholders and potential investors are advised to exercise caution when dealing in the WYT Shares.

THE CN PLACING AGREEMENT

On 11 June 2007, WYT and the WYT Placing Agent also entered into the CN Placing Agreement pursuant to which the WYT Placing Agent agreed to place, on a fully underwritten basis, up to an aggregate principal amount of HK\$250,000,000 Convertible Note which is exercisable and convertible into 431,034,482 WYT Shares at a conversion price of HK\$0.58 per Conversion Share.

Assuming that the maximum aggregate principal amount of the Convertible Note (i.e. HK\$250,000,000) are placed under the CN Placing, upon exercise in full of the conversion rights attaching to the Convertible Note, an aggregate of 431,034,482 Conversion Shares would fall to be allotted and issued by WYT at the initial conversion price of HK\$0.58 per Conversion Share, which will represent (i) approximately 30.87% of the existing issued share capital of WYT comprising 1,396,347,688 WYT Shares; (ii) approximately 25.73% of the issued share capital of WYT as enlarged by the Share Placing; and (iii) approximately 20.46% of the issued share capital of WYT as enlarged by the Share Placing and the CN Placing.

The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Note will, when issued, rank *pari passu* with all other WYT Shares in issue as at the date of allotment and issue of such Conversion Shares.

The conversion price of HK\$0.58 per WYT Share represents: (i) a premium of approximately 3.57% over the closing prices of HK\$0.56 per WYT Share on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) a premium of approximately 29.18% over the average of the closing prices of HK\$0.449 per WYT Share in the last five trading days prior to the date of the CN Placing Agreement; and (iii) a premium of 51.04% over the average of the closing price of HK\$0.384 per WYT Share in the last ten trading days prior to the date of the CN Placing Agreement.

The net proceeds of approximately HK\$245.5 million from the CN Placing is intended to be used as to approximately HK\$180 million for other potential acquisition of new investment or business as and when appropriate and the remaining balance for general working capital of the WYT Group. As at the date of this announcement, no such investment or business has been identified by WYT.

Completion of the CN Placing is subject to the satisfaction of the conditions precedent in the CN Placing Agreement.

THE DISPOSAL

On 11 June 2007, Rich Time Strategy Limited, a wholly-owned subsidiary of Wang On and the WO Placing Agent entered into the WO Placing Agreement pursuant to which Wang On agreed to dispose of and the WO Placing Agent agreed to place the 210,000,000 WYT Shares held by Wang On on a best efforts basis to third parties independent of Wang On and its connected persons (as defined in the Listing Rules).

The net proceeds of approximately HK\$93.8 million from the Disposal is intended to be used as to approximately HK\$50 million for development and acquisition of wet market and agricultural distribution center business and the remaining balance for general working capital of the Wang On Group.

GENERAL

For WYT, the CN Placing is conditional upon the passing of the relevant resolution by the WYT Shareholders at a special general meeting. A circular containing, among other things, details regarding the CN Placing will be despatched to the WYT Shareholders as soon as possible.

For Wang On, the Disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules. A circular containing, among other things, details regarding the Disposal will be despatched to the shareholders of Wang On as soon as practicable.

RESUMPTION OF TRADING

At the request of WYT, trading in the WYT Shares on the Stock Exchange has been suspended from 9:30 a.m. on 8 June 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the WYT Shares on the Stock Exchange from 9:30 a.m. on 12 June 2007.

At the request of Wang On, trading in the shares of Wang On on the Stock Exchange has been suspended from 9:30 a.m. on 8 June 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of Wang On on the Stock Exchange from 9:30 a.m. on 12 June 2007.

THE SHARE PLACING AGREEMENT

On 11 June 2007, WYT and the WYT Placing Agent entered into the Share Placing Agreement pursuant to which WYT has conditionally agreed to place, through the WYT Placing Agent on a fully underwritten basis, 279,000,000 Placing Shares to independent investors at a price of HK\$0.46 per Placing Share.

Date

11 June 2007

Issuer

WYT

The WYT Placing Agent

The WYT Placing Agent has conditionally agreed to place in aggregate of 279,000,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2.5% on the gross proceeds of the Share Placing. The WYT Directors (including the independent non-executive WYT Directors) are of the view that the placing commission is fair and reasonable. The WYT Placing Agent and its ultimate beneficial owners are independent of and not connected persons (as defined in the Listing Rules) of WYT and its connected persons (as defined in Listing Rules).

Placees

The WYT Placing Agent agreed to place the Placing Shares on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of WYT and its connected persons (as defined in the Listing Rules). None of the individual Placee will become a substantial WYT Shareholder (as defined under the Listing Rules) immediately after the Share Placing.

Placing Shares

The 279,000,000 Placing Shares under the Share Placing represent (i) approximately 19.98% of the existing issued share capital of WYT of 1,396,347,688 Shares as at the date of this announcement; (ii) approximately 16.65% of WYT's issued share capital of 1,675,347,688 Shares as enlarged by the Share Placing.

Ranking of the Placing Shares

The Placing Shares under the Share Placing will rank, upon issue, *pari passu* in all respects with the WYT Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price was fixed on the day of which WYT and the WYT Placing Agent entered into the Share Placing Agreement, i.e. 11 June 2007. The Placing Price of HK\$0.46 represents a discount of approximately 17.86% to the benchmarked price of the WYT Shares, which is the higher of (i) the closing price of HK\$0.56 per WYT Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average closing price per WYT Share of HK\$0.449 in the last five consecutive trading days prior to the date of the Share Placing Agreement. The Placing Price of HK\$0.46 also represents a premium of approximately 19.79% over the average closing price per WYT Share of HK\$0.384 in the last ten consecutive trading days prior to the date of the Share Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the WYT Share and was negotiated on an arm's length basis between WYT and the WYT Placing Agent. The WYT Directors (including the independent non-executive WYT Directors) consider that the terms of the Share Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of WYT and the WYT Shareholders as a whole.

General Mandate

The Placing Shares under the Share Placing will be issued under the General Mandate to allot, issue and deal with Shares granted to the WYT Directors by the resolution of the WYT Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of WYT as at the date of the AGM (i.e. 279,269,537 Shares). Up to the date of this announcement, none of the new WYT Shares has been issued under the General Mandate.

Conditions of the Share Placing

Completion of the Share Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (ii) the obligations of the WYT Placing Agent under the Share Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Share Placing Agreement, including provisions regarding force majeure event.

Termination and force majeure

The Share Placing Agreement may be terminated by the WYT Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Share Placing Agreement, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the WYT Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the WYT Group as a whole; or**
- (ii) 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 Share Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the WYT Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the WYT Group as a whole or adversely prejudices the success of the placing of the Placing Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for WYT or the WYT Placing Agent to proceed with the Share Placing; or**
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the WYT Placing Agent make it inexpedient or inadvisable or inappropriate for WYT or the WYT Placing Agent to proceed with the Share Placing.**

The WYT Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Share Placing

Completion of the Share Placing will take place within four business days after the fulfilment of the conditions as set out in the Share Placing Agreement but not later than 29 June 2007 or such later date as may be agreed between WYT and the WYT Placing Agent.

As the Share Placing may or may not proceed, the WYT Shareholders and potential investors are advised to exercise caution when dealing in the WYT Shares.

THE CN PLACING AGREEMENT

On 11 June 2007, WYT and the WYT Placing Agent also entered into the CN Placing Agreement pursuant to which the WYT Placing Agent agreed to place, on a fully underwritten basis, up to an aggregate principal amount of HK\$250,000,000 Convertible Note.

The WYT Placing Agent

Kingston Securities Limited is the placing agent for the CN Placing and will be entitled to receive a placing commission of 1.5% of the gross proceeds of the Convertible Note to be placed by it.

The WYT Placing Agent and its ultimate beneficial owners are independent of and not connected persons (as defined in the Listing Rules) of WYT and its connected persons (as defined in the Listing Rules).

Placees

The WYT Placing Agent agreed to place the Convertible Note on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of WYT and its connected persons (as defined in the Listing Rules). Assuming the Convertible Note is exercised immediately after the CN Placing, none of the individual Placee will become a substantial WYT Shareholder (as defined under the Listing Rules).

Conversion Shares falling to be issued upon exercise in full of the conversion rights attaching to the Convertible Note

Assuming that the maximum aggregate principal amount of the Convertible Note (i.e. HK\$250,000,000) are placed under the CN Placing, upon exercise in full of the conversion rights attaching to the Convertible Note, an aggregate of 431,034,482 Conversion Shares would fall to be allotted and issued by WYT at the initial conversion price of HK\$0.58 per Conversion Share, which will represent (i) approximately 30.87% of the existing issued share capital of WYT comprising 1,396,347,688 WYT Shares; (ii) approximately 25.73% of the issued share capital of WYT as enlarged by the Share Placing; and (iii) approximately 20.46% of the issued share capital of WYT as enlarged by the Share Placing and the CN Placing.

The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Note will, when issued, rank *pari passu* with all other WYT Shares in issue as at the date of allotment and issue of such Conversion Shares.

Conditions of the CN Placing

Completion of the CN Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval of the issue for the Convertible Note (if required) and the listing of, and permission to deal in the Conversion Shares falling to be issued on the exercise of the conversion rights attaching to the Convertible Note either unconditionally or subject to conditions to which the WYT Placing Agent may accept; and
- (ii) the WYT Shareholders passing at a special general meeting of WYT the resolution approving the allotment and issue the Conversion Shares falling to be issued upon the exercise of the conversion rights attaching to the Convertible Note.

If any of the above conditions are not fulfilled at or before 5:00 p.m. (Hong Kong time) on 10 August 2007 or such later time or date as may be agreed between the WYT Placing Agent and WYT in writing, the WYT Placing Agent may, at any time thereafter, terminate its obligations under the CN Placing Agreement by notice in writing to WYT, whereupon the obligations of the WYT Placing Agent under this CN Placing Agreement shall forthwith cease and terminate and neither WYT nor the WYT Placing Agent shall have any claim against any of the others, save for any antecedent breach thereof.

Completion of the CN Placing

Completion of the CN Placing will take place within five business days after the CN Placing Agreement becomes unconditional.

PRINCIPAL TERMS OF THE CONVERTIBLE NOTE

<i>Issuer:</i>	WYT
<i>Aggregate Principal amount:</i>	HK\$250,000,000
<i>Maturity date:</i>	the date falling on the second anniversary of the date of issue of the Convertible Note. Any unredeemed and unconverted Convertible Note will be redeemed at an amount equal to the principal amount of the Convertible Note together with any accrued interest in cash.
<i>Initial conversion price:</i>	<p>HK\$0.58 per Conversion Share</p> <p>The initial conversion price was determined on an arm's length basis between WYT and the WYT Placing Agent with reference to, among other things, the recent performance of the WYT Share price.</p> <p>The initial conversion price is subject to adjustments, including consolidation or subdivision of WYT Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events, which may or may not occur.</p> <p>The conversion price of HK\$0.58 per WYT Share represents: (i) a premium of approximately 3.57% over the closing prices of HK\$0.56 per WYT Share on the Last Trading Day, being the latest trading day before the date of this announcement; and (ii) a premium of approximately 29.18% over the average of the closing prices of HK\$0.449 per WYT Share in the last five trading days prior to the date of the CN Placing Agreement; and (iii) a premium of 51.04% over the average of the closing price of HK\$0.384 per WYT Share in the last ten trading days prior to the date of the CN Placing Agreement.</p> <p>The holders of the Convertible Note shall have the right at any time after the date of issue of the Convertible Note to convert any outstanding amount of the Convertible Note at denomination of HK\$500,000 each into the Conversion Shares at the then applicable conversion price, unless the amount remaining on exercise of the conversion rights shall be less than HK\$500,000 and in such event, the entire outstanding amount shall be converted.</p>
<i>Ranking:</i>	The Conversion Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the other WYT Shares in issue as at the date of issue of such Conversion Shares.
<i>Interest:</i>	1% per annum payable half yearly in arrears
<i>Transferability:</i>	The Convertible Note may be transferred to any third party without the prior written consent of WYT. None of the Convertible Note may be transferred to a "connected person" (as defined in the Listing Rules) of WYT. WYT shall give notice to the Stock Exchange for any transfer of the Convertible Note and shall state whether any connected person (as defined in the Listing Rules) of WYT is involved.
<i>Redemption:</i>	At any time after the six months of the issuance of the Convertible Note, the Company shall be entitled at its discretion by giving not less than 30 days notice to the holders of the Convertible Note to redeem all (but not some only) outstanding Convertible Note.
<i>Voting rights:</i>	The Convertible Note do not confer any voting rights at general meetings of WYT on the holder(s) of the Convertible Note.
<i>Events of default:</i>	The events of default provisions which provide that on the occurrence of certain events of default specified in the Convertible Note (e.g. liquidation), each of the holders of the Convertible Note shall be

entitled to demand for immediate repayment of the principal amount outstanding and accrued but unpaid interest under the relevant Convertible Note.

Listing:

No application will be made for the listing of and permission to deal in, the Convertible Note on the Stock Exchange or any other stock exchange.

OTHER INFORMATION ON THE SHARE PLACING AND THE CN PLACING

Reasons for the Share Placing and the CN Placing

The WYT Directors consider the timing of the fund raising by the Share Placing and the CN Placing is appropriate as the recent stock market has shown strong sentiment and there is imminent demand for the WYT Shares as the investors are interested and confident about the business prospect of WYT. The WYT Directors consider that notwithstanding that the Share Placing and the CN Placing will result in the dilution of the existing shareholding interest of the WYT Shareholders, the Share Placing and the CN Placing represent an opportunity to raise capital for WYT to enhance the general working capital base and the existing business of the WYT Group and to further strengthen.

Use of proceeds

Share Placing

The gross proceeds from the Share Placing will be approximately HK\$128.34 million and the net proceeds of approximately HK\$124.1 million from the Share Placing is intended to be used as to approximately HK\$70 million for the expansion of retail network in the PRC and Hong Kong and the remaining balance for general working capital of the WYT Group. The net proceeds raised per Share upon the completion of both the Placing will be approximately HK\$0.445 per Placing Share.

CN Placing

The gross proceeds from the CN Placing will be HK\$250 million and the net proceeds of approximately HK\$245.5 million from the CN Placing is intended to be used as to approximately HK\$180 million for other potential acquisition of new investment or business as and when appropriate and the remaining balance for general working capital of the WYT Group. As at the date of this announcement, no such investment or business has been identified by WYT.

Fund raising activities in the past twelve months

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

Effects on shareholding structure

The existing and enlarged shareholding structure of WYT as at the date of this announcement and immediately after the issue of the Placing Shares and the Conversion Shares (assuming that there are no other changes in the issued share capital of WYT) are set out below:

	As at the date of this announcement		Immediately after the Disposal		Immediately after the Share Placing		Immediately after the Shares Placing and the CN Placing	
	<i>WYT Shares</i>	<i>Approximate %</i>	<i>WYT Shares</i>	<i>Approximate %</i>	<i>WYT Shares</i>	<i>Approximate %</i>	<i>WYT Shares</i>	<i>Approximate %</i>
Wang On (<i>Note 1</i>)	684,209,324	49.00%	474,209,324	33.96%	474,209,324	28.31%	474,209,324	22.51%
Public WYT Shareholders								
Places under the Share Placing (<i>Note 2</i>)					279,000,000	16.65%	279,000,000	13.25%
Places under the CN Placing (<i>Note 3</i>)							431,034,482	20.46%
Places under the Disposal (<i>Note 4</i>)			210,000,000	15.04%	210,000,000	12.53%	210,000,000	9.97%
Other public WYT Shareholders	712,138,364	51.00%	712,138,364	51.00%	712,138,364	42.51%	712,138,364	33.81%
Sub-total	712,138,364	51.00%	922,138,364	66.04%	1,201,138,364	71.69%	1,632,172,846	77.49%
Total	1,396,347,688	100.00%	1,396,347,688	100.00%	1,675,347,688	100.00%	2,106,382,170	100.00%

Notes:

1. The 684,209,324 WYT Shares were held by Rich Time Strategy Limited. Rich Time Strategy Limited is wholly owned by Wang On Enterprises (BVI) Limited, and Wang On Enterprises (BVI) Limited is a wholly-owned subsidiary of Wang On.
2. These WYT Shares would be allotted and issued upon completion of the Share Placing.
3. These WYT Shares would be allotted and issued upon exercise in full the conversion rights attaching to the Convertible Note.
4. These WYT Shares would be disposed by Wang On upon completion of the Disposal.

As at the date of this announcement, the existing authorized share capital of WYT consists of 60,000,000,000 WYT Shares out of which 1,396,347,688 WYT Shares are issued and fully paid up.

As at the date of this announcement, there is an outstanding convertible note with an aggregate principal amount of £590 convertible into 67 new WYT Shares upon exercise in full at the conversion price of £8.79 per WYT Share.

THE DISPOSAL

On 11 June 2007, Rich Time Strategy Limited, a wholly-owned subsidiary Wang On, and the WO Placing Agent entered into the WO Placing Agreement pursuant to which Wang On agreed to dispose of and the WO Placing Agent agreed to place the 210,000,000 WYT Shares held by Wang On on a best efforts basis to third parties independent of Wang On and its connected persons (as defined in the Listing Rules).

THE WO PLACING AGREEMENT

Date

11 June 2007

Parties

Vendor: Rich Time Strategy Limited, a wholly-owned subsidiary of Wang On

The WO Placing Agent: DBS Asia Capital Limited

The Wang On Directors currently do not expect that any individual placees of the Disposal will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Disposal.

Subject Asset

210,000,000 WYT Shares

Placing Price for the Sale Shares

The placing price of HK\$0.46 per Sale Share, was agreed after arm's length negotiations between the parties after taking into consideration the current market conditions and the recent performance of the WYT Shares.

Reasons for the Disposal

For the year ended 31 March 2005 and 2006, the audited net losses before taxation attributable to the Sale Shares were approximately HK\$7.9 million and approximately HK\$15.2 million respectively while the audited net losses after taxation attributable to the Sale Shares were approximately HK\$8.8 million and approximately HK\$15 million respectively. As at 30 September 2006, the unaudited net asset value of the Sale Shares amounted to approximately HK\$96.51 million.

The Disposal is expected to realize a gain of approximately HK\$0.09 million (being the difference between the consideration for the Sale Shares under the WO Placing Agreement and the unaudited net asset value of the Sale Shares as at 30 September 2006) before expenses.

The Wang On Directors are of the view that the Disposal will improve the liquidity of the Company and provide cash for focusing on its core business of wet market and agricultural distribution center business.

Having regard to the above and the current capital market condition, the Wang On Directors consider that the terms of the Disposal are fair and reasonable and are in the best interests of Wang On and its shareholders as a whole.

Use of proceeds from the Disposal

The gross proceeds from the Disposal will be HK\$96.6 million and the net proceeds of approximately HK\$93.8 million from the Disposal is intended to be used as to approximately HK\$50 million for development and acquisition of wet market and agricultural distribution center business and the remaining balance for general working capital of the Wang On Group.

Completion of the Disposal

The completion of the Disposal shall take place on or before 14 June 2007.

GENERAL

The WYT Group is principally engaged in the production and sale (i) manufacturing, processing and retailing of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of “Wai Yuen Tong” and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; and (ii) processing and retailing western pharmaceutical products under the brandname of “Madame Pearl’s”.

For WYT, the CN Placing is conditional upon the passing of the relevant resolution by the WYT Shareholder at a special general meeting. A circular containing, among other things, details regarding the CN Placing will be despatched to the WYT Shareholders as soon as possible.

Application will be made by WYT to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares and the Conversion Shares.

The Wang On Group is principally engaged in development and management of agricultural products wholesaling business in the PRC and Hong Kong, management and sub-licensing of wet markets in the PRC and Hong Kong, property development, property investment, management and sub-licensing shopping centers and retail business in Hong Kong. It also has interests in the pharmaceutical business through its investments in WYT.

For Wang On, the Disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules. A circular containing, among other things, details regarding the Disposal will be despatched to the shareholders of Wang On as soon as practicable.

RESUMPTION OF TRADING

At the request of WYT, trading in the WYT Shares on the Stock Exchange has been suspended from 9:30 a.m. on 8 June 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the WYT Shares on the Stock Exchange from 9:30 a.m. on 12 June 2007.

At the request of Wang On, trading in the shares of Wang On on the Stock Exchange has been suspended from 9:30 a.m. on 8 June 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of Wang On on the Stock Exchange from 9:30 a.m. on 12 June 2007.

Terms and definitions

“AGM”	the annual general meeting of WYT held on 17 August 2006
“CN Placing”	placing of the Convertible Note pursuant to the terms of the CN Placing Agreement
“CN Placing Agreement”	the conditional placing agreement entered into between WYT and the WYT Placing Agent dated 11 June 2007 in relation to the CN Placing
“Conversion Share(s)”	new WYT Share(s) falling to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Note
“Convertible Note”	the convertible note of an aggregate principal amount of HK\$250 million to be issued by WYT pursuant to the CN Placing Agreement
“Disposal”	the disposal of 210,000,000 existing WYT Shares by Wang On pursuant to the WO Placing Agreement

“General Mandate”	the general mandate granted to the WYT Directors by the WYT Shareholders at the AGM, among other things, to allot, issue and deal with up to 20% of the then issued share capital of WYT as at the date of the AGM
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Date”	7 June 2007, being the last trading day for the WYT Shares before the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the WYT Placing Agent to subscribe for any of the Placing Shares and Convertible Note pursuant to the WYT Placing Agent’s obligations under the Share Placing Agreement and the CN Placing Agreement
“Placing Price”	HK\$0.46 per Placing Share
“Placing Share(s)”	an aggregate of 279,000,000 new WYT Shares to be placed under the Share Placing
“PRC”	The People’s Republic of China
“Sale Shares”	the 210,000,000 existing WYT Shares to be disposed by Wang On pursuant to the WO Placing Agreement
“Share Placing”	placing of 279,000,000 new WYT Shares pursuant to the terms of the Share Placing Agreement
“Share Placing Agreement”	the conditional placing agreement entered into between WYT and the WYT Placing Agent dated 11 June 2007 in relation to the Share Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wang On”	Wang On Group Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Wang On Director(s)”	director(s) of Wang On
“Wang On Group”	Wang On and its subsidiaries
“WO Placing Agent”	DBS Asia Capital Limited, being the placing agent of the Sale Shares pursuant to the WO Placing Agreement
“WO Placing Agreement”	the placing agreement dated 11 June 2007 entered into between Rich Time Strategy Limited, a wholly-owned subsidiary of Wang On, and the WO Placing Agent in relation to the Disposal
“WYT”	Wai Yuen Tong Medicine Holdings Building, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“WYT Director(s)”	director(s) of WYT
“WYT Group”	WYT and its subsidiaries
“WYT Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“WYT Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of WYT

“WYT Shareholder(s)” holder(s) of the WYT Share(s)
“HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“%” per cent.

By Order of the board of
Wai Yuen Tong Medicine Holdings Limited
Chan Chun Hong, Thomas
Managing Director

By Order of the board of
Wang On Group Limited
Chan Chun Hong, Thomas
Managing Director

Hong Kong, 11 June 2007

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

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

“Please also refer to the published version of this announcement in The Standard.”