

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in Wang On Group Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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)**

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF EXISTING SHARES IN  
WAI YUEN TONG MEDICINE HOLDINGS LIMITED**

**PLACING AGENT**



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\* For identification purpose only

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“associate”	has the same meaning ascribed to it in the Listing Rules
“Company”	Wang On Group Limited (宏安集團有限公司*), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by Rich Time pursuant to the Placing Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Announcement”	the announcement dated 11 June 2007 made by the Company and WYT
“Latest Practicable Date”	26 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in the circular
“Last Trading Date”	7 June 2007, being the last trading day for the Shares before the day of the Joint Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent”	DBS Asia Capital Limited, being the placing agent of the Sale Shares pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 11 June 2007 entered into between Rich Time, and the Placing Agent in relation to the Disposal
“PRC”	the People’s Republic of China

\* For identification purpose only

## DEFINITIONS

“Rich Time”	Rich Time Strategy Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	the 210,000,000 existing WYT Shares disposed by the Company pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed to it in the Listing Rules
“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“WYT Board”	the board of directors of WYT
“WYT Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of WYT
“HK\$”	Hong Kong dollar(s), being the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD



# WANG ON GROUP LIMITED

(宏安集團有限公司\*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

*Executive Directors:*

Mr. Tang Ching Ho (*Chairman*)  
Ms. Yau Yuk Yin (*Deputy Chairman*)  
Mr. Chan Chun Hong, Thomas  
(*Managing Director*)

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

Dr. Lee Peng Fei, Allen, CBE, JP  
Mr. Wong Chun, Justein, MBE, JP  
Mr. Siu Yim Kwan, Sidney, S.B. St.J.  
Mr. Siu Kam Chau

*Head office and principal  
place of business:*

5th Floor  
Wai Yuen Tong Medicine Building  
9 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

29 June 2007

*To the Shareholders,*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

### DISPOSAL OF EXISTING SHARES IN WAI YUEN TONG MEDICINE HOLDINGS LIMITED

#### INTRODUCTION

The Company announced on 11 June 2007 that Rich Time and Placing Agent entered into the Placing Agreement on 11 June 2007 pursuant to which Rich Time agreed to dispose of and the Placing Agent agreed to place the 210,000,000 WYT Shares held by Rich Time on a best efforts basis to third parties independent of the Company and its connected persons.

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with detailed information on the Disposal.

\* For identification purpose only

## LETTER FROM THE BOARD

### THE DISPOSAL

### THE PLACING AGREEMENT

**Date:**

11 June 2007

**Parties:**

**Vendor:** Rich Time Strategy Limited, a wholly-owned subsidiary of the Company. Its principal activity is investment holding.

**The Placing Agent:** DBS Asia Capital Limited

The Directors do not expect that any individual placees of the Disposal will become a substantial Shareholder 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 Placing Agreement and the unaudited net asset value of the Sale Shares as at 30 September 2006) before expenses.

The 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.

## LETTER FROM THE BOARD

Having regard to the above and the current capital market condition, the Directors consider that the terms of the Disposal are fair and reasonable and are in the best interests of the Company and the 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 Group.

### **Completion of the Disposal**

The completion of the Disposal has taken place and the consideration for the Disposal has been duly settled on 14 June 2007. A total of 210,000,000 WYT Shares have been placed to not less than six places. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, such places and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, the Group would increase the unaudited net assets value by HK\$0.09 million and there is no impact on the Group liabilities.

### **INFORMATION ON THE GROUP**

The 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.

### **IMPLICATIONS OF THE LISTING RULES**

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

### **GENERAL INFORMATION**

Your attention is also drawn to the general information as set out in this circular.

Yours faithfully,  
For and on behalf of the Board  
**Wang On Group Limited**  
(宏安集團有限公司\*)  
**Chan Chun Hong, Thomas**  
*Managing Director*

\* For identification purpose only

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of each Director or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

#### *Long positions in the Shares*

Name of Director	Number of Shares held, capacity and nature of interest				Total	Percentage of the Company's issued share capital*
	Personal interest	Family interest	Corporate interest	Other interest		
Mr. Tang Ching Ho	16,218,960	16,218,920 <i>(Note (a))</i>	59,326,780 <i>(Note (b))</i>	862,539,400 <i>(Note (c))</i>	954,304,060	16.12%
Ms. Yau Yuk Yin	16,218,920	75,545,740 <i>(Note (d))</i>	–	862,539,400 <i>(Note (e))</i>	954,304,060	16.12%

\* To the best of the knowledge of the Directors, the issued share capital of the Company as at the Latest Practicable Date was 5,921,329,640 Shares.

#### *Notes:*

- (a) Mr. Tang Ching Ho was taken to be interested in those Shares in which his spouse, Ms. Yau Yuk Yin, was interested.
- (b) Mr. Tang Ching Ho was taken to be interested in those Shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang Ching Ho was taken to be interested in those Shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau Yuk Yin was taken to be interested in those Shares in which her spouse, Mr. Tang Ching Ho, was interested.

- (e) Ms. Yau Yuk Yin was taken to be interested in those Shares by virtue of being a beneficiary of Tang's Family Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

**(b) Persons who have an interest or short position in the shares or underlying shares of the Company which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

*Long positions in the Shares*

Name of Shareholder	Number of Shares	Percentage of the Company's issued share capital*
Accord Power Limited	862,539,400	14.57%
Trustcorp Limited (Note (a))	862,539,400	14.57%
Newcorp Ltd. (Note (b))	862,539,400	14.57%
Newcorp Holdings Ltd. (Note (c))	862,539,400	14.57%
Mr. David Henry Christopher Hill (Note (d))	862,539,400	14.57%
Ms. Rebecca Ann Hill (Note (e))	862,539,400	14.57%
Mr. David William Roberts (Note (f))	862,539,400	14.57%
Lehman Brothers Holdings Inc. (Note (g))	400,000,000	6.76%
Credit Suisse Group (Note (h))	400,000,000	6.76%
Galaxy China Opportunities Fund	314,760,000	5.32%
Evolution Master Fund Ltd SPC, Segregated Portfolio M (Note (i))	130,000,000	2.20%
Evolution Capital Management LLC (Note (i))	130,000,000	2.20%

\* To the best of the knowledge of the Directors, the issued share capital of the Company as at the Latest Practicable Date was 5,921,329,640 Shares.

Notes:

- (a) Accord Power Limited is wholly-owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust; accordingly, Trustcorp Limited was taken to be interested in those Shares held by Accord Power Limited.
- (b) Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd.; accordingly, Newcorp Ltd. was taken to be interested in those Shares in which Trustcorp Limited was interested.
- (c) Newcorp Ltd. is a wholly-owned subsidiary of Newcorp Holdings Ltd.; accordingly, Newcorp Holdings Ltd. was taken to be interested in those Shares in which Newcorp Ltd. was interested.
- (d) Mr. David Henry Christopher Hill owned 35% interest in the issued shares capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the Shares in which Newcorp Holdings Ltd. was interested.
- (e) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the Shares in which Mr. David Henry Christopher Hill was interested.
- (f) Mr. David William Roberts owned 35% interest in the issued share capital of Newcorp Holdings Ltd. and was therefore taken to be interested in the Shares in which Newcorp Holdings Ltd. was interested.
- (g) Lehman Brothers Holdings Inc. acquired 200,000,000 Shares from Accord Power Limited pursuant to the share purchase agreement dated 15 May 2007 entered into between Mr. Tang Ching Ho, Accord Power Limited and Lehman Brothers Commercial Corporation Asia Limited. Lehman Brothers Holdings Inc. has also subscribed the warrants issued by the Company attaching rights to subscribe for 200,000,000 Shares at an initial subscription price of HK\$0.45 per Share.
- (h) Credit Suisse Group is holding 200,000,000 Shares and 200,000,000 underlying Shares.
- (i) Evolution Capital Management LLC is the investment manager of Evolution Master Fund Ltd SPC, Segregated Portfolio M.

Save as disclosed above, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, as at the Latest Practicable Date, no other person (not being a Director or chief executive of the Company) had any interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

### 3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

**5. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors and their respective associates is interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

**6. GENERAL**

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (c) The qualified accountant of the Company is Mr. Leong Weng Kin, CPA.
- (d) The company secretary of the Company is Mr. Chan Chun Hong, Thomas. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (e) The branch share registrar and transfer office of the Company in Hong Kong is Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.