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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 TRANSACTION
IN RELATION TO
REPURCHASE OF INTEREST IN FUNDS

REPURCHASE OF INTEREST IN FUNDS

Each of WOG Board and WYT Board announces that on 19 September 2022, Mailful Investments and Suntech Investments, which are respectively indirect wholly-owned subsidiaries of WOG and WYT, received confirmation from the Fund Managers of acceptance of the requests by Mailful Investments and Suntech Investments for repurchase of their respective interests in the Access Funds at the aggregate repurchase price of approximately US\$18.05 million (equivalent to approximately HK\$142.25 million) submitted by them on 17 August 2022, amongst which:

- (a) 3,379.7988 Class A Shares in Access Fund A held by Mailful Investments were repurchased by Access Fund A on 31 August 2022 at the repurchase price of approximately US\$4.65 million (equivalent to approximately HK\$36.64 million);
- (b) 6,337.1229 Class A Shares in Access Fund A held by Suntech Investments were repurchased by Access Fund A on 31 August 2022 at the repurchase price of approximately US\$8.72 million (equivalent to approximately HK\$68.71 million); and
- (c) 3,568.201 Class A Shares in Access Fund B held by Mailful Investments were repurchased by Access Fund B on 31 August 2022 at the repurchase price of approximately US\$4.68 million (equivalent to approximately HK\$36.90 million).

After completion of the Repurchase, each of WOG Group and WYT Group does not hold any interests in the Access Funds.

LISTING RULES IMPLICATION

As the highest relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Repurchase exceeds 5% but is less than 25% for each of WOG and WYT, the Repurchase constitutes a discloseable transaction of each of WOG and WYT under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

REPURCHASE OF INTEREST IN FUNDS

Reference is made to the joint announcement of WOG and WYT dated 19 July 2021 in relation to subscriptions of interest in the Access Funds by Mailful Investments and Suntech Investments, respectively.

Each of WOG Board and WYT Board announces that on 19 September 2022, Mailful Investments and Suntech Investments, which are respectively indirect wholly-owned subsidiaries of WOG and WYT, received confirmation from the Fund Managers of acceptance of the requests by Mailful Investments and Suntech Investments for repurchase of their respective interests in the Access Funds at the aggregate repurchase price of approximately US\$18.05 million (equivalent to approximately HK\$142.25 million) submitted by them on 17 August 2022, amongst which:

- (a) 3,379.7988 Class A Shares in Access Fund A held by Mailful Investments were repurchased by Access Fund A on 31 August 2022 at the repurchase price of approximately US\$4.65 million (equivalent to approximately HK\$36.64 million);
- (b) 6,337.1229 Class A Shares in Access Fund A held by Suntech Investments were repurchased by Access Fund A on 31 August 2022 at the repurchase price of approximately US\$8.72 million (equivalent to approximately HK\$68.71 million); and
- (c) 3,568.201 Class A Shares in Access Fund B held by Mailful Investments were repurchased by Access Fund B on 31 August 2022 at the repurchase price of approximately US\$4.68 million (equivalent to approximately HK\$36.90 million).

The repurchase price of the Class A Shares is calculated on the basis of the NAV per share of the applicable share class of Access Funds being repurchased, which in turn is based on the NAV of the BREIT as of the last calendar day of the month immediately prior to the Repurchase Date.

The Repurchase proceeds were satisfied in cash and payments of the Repurchase proceeds in respect of Class A Shares in Access Fund B held by Mailful Investments was made on 13 September 2022 and in respect of Class A Shares in Access Fund A held by Suntech Investments and Class A Shares in Access Fund A held by Mailful Investments were made on 14 September 2022 and 15 September 2022, respectively.

After completion of the Repurchase, each of WOG Group and WYT Group does not hold any interests in the Access Funds.

FINANCIAL EFFECT AND INTENDED USE OF PROCEEDS FROM THE REPURCHASE

As a result of the Repurchase, it is expected that WOG Group will record a gain (after deducting the expenses and charges) of approximately US\$0.43 million (equivalent to approximately HK\$3.39 million) including a gain of WYT Group in the sum of approximately US\$0.21 million (equivalent to approximately HK\$1.64 million), being the difference between the Repurchase proceeds and the aggregate carrying value of the Class A Shares in Access Fund A and Access Fund B as at 31 March 2022 of approximately US\$17.62 million (equivalent to approximately HK\$138.86 million). The actual gain as a result of the Repurchase to be recorded by WOG Group and WYT Group is subject to audit.

The proceed from the Repurchase of WOG Group (after deduction of the transaction costs) is approximately US\$18.05 million (equivalent to approximately HK\$142.25 million) including the proceeds of WYT Group in the sum of approximately US\$8.72 million (equivalent to approximately HK\$68.71 million) and are intended to be used as general working capital of WOG Group and WYT Group and/or for investments when suitable investment opportunities arise in the future and for repayment of the bank loans by WOG Group in respect of its general investment activities.

INFORMATION ON THE ACCESS FUNDS, THE BREIT, THE FUND MANAGERS AND THE BREIT MANAGER

Based on the information available to the WOG Directors and WYT Directors:

The Access Funds

- (a) The Access Funds are Cayman Islands segregated portfolio companies which facilitates non-United States based investors to invest indirectly in the BREIT.
- (b) Access Fund A is managed by iCapital Advisors, LLC, a subsidiary of Institutional Capital Network, Inc., an investment adviser registered with the U.S. Securities and Exchange Commission.
- (c) Access Fund B was established in 2019 and is managed by Credit Suisse AG, a company incorporated in Switzerland with limited liability and a licensed bank registered with the Hong Kong Monetary Authority.

- (d) The Access Funds invest substantially all of their assets in the shares in the BREIT that operates as a United States based real estate investment trust. Therefore, the returns of the Access Funds depend almost entirely on the performance of their investments in the BREIT.

The BREIT

- (a) The BREIT is a non-listed, perpetual-life real estate investment trust that was established in 2017. It invests primarily in stabilized, income-generating United States commercial real estate and, to a lesser extent, it may invest in real estate outside the United States and real estate debt investments, cash and/or cash equivalents. It is managed by BX REIT Advisors L.L.C., an affiliate of the real estate group of The Blackstone Group Inc., which serves as the sponsor of the BREIT. The Blackstone Group Inc. is an American alternative investment management company based in New York whose shares are listed and traded on the New York Stock Exchange (NYSE:BX).
- (b) As of 31 March 2022, the BREIT has a portfolio of 3,097 properties at the occupancy rate (excluding hospitality properties) ranging from 92% to 100%, with a total gross asset value of US\$94.4 billion (equivalent to approximately HK\$743.85 billion) and a NAV of US\$63.3 billion (equivalent to approximately HK\$498.83 billion).
- (c) The following is the financial information in relation to the BREIT for the financial years ended 31 December 2020 and 2021 extracted from the annual report of BREIT for the financial year ended 31 December 2021:

	For the year ended 31 December	
	2021	2020
	<i>US\$'000</i>	<i>US\$'000</i>
NOI (<i>Note</i>)	1,487,159 (equivalent to approximately HK\$11,719 million)	1,335,257 (equivalent to approximately HK\$10,522 million)
Net income (loss) attributable to the BREIT stockholders	(804,783) (equivalent to approximately HK\$(6,342) million)	(853,399) (equivalent to approximately HK\$(6,725) million)

Note: The BREIT published its property operating results by reference to the net operating income (“NOI”) from business operations on a “same property” basis. This approach excludes acquisitions and dispositions during the periods under comparison. Properties in the BREIT portfolio are considered as the “same property” if they were owned for the full periods being compared; and recently developed properties that have not achieved 90% occupancy (other than hotels) or less than 12 months after receiving the certificate of occupancy, properties held for sale, properties that are being re-developed and investments in real estate debt segment or equity securities are not considered as the “same property” for this purpose.

- (d) As at the date of this announcement, to the best knowledge, information and belief of the WOG Directors, having made all reasonable enquiries, each of the Access Funds, the BREIT, the Funds Managers, the BREIT Manager and their respective ultimate beneficial owners are third parties independent of WOG and its connected person.
- (e) As at the date of this announcement, to the best knowledge, information and belief of the WYT Directors, having made all reasonable enquiries, each of the Access Funds, the BREIT, the Funds Managers, the BREIT Manager and their respective ultimate beneficial owners are third parties independent of WYT and its connected person.

INFORMATION ON THE WOG GROUP, WYT GROUP, MAILFUL INVESTMENTS AND SUNTECH INVESTMENTS

The WOG Group and Mailful Investments

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, property development and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.0%-owned listed subsidiary of WOG; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, a 65.79%-owned listed subsidiary of WOG; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited (Stock Code: 149) (“CAP”), a 53.37%-owned listed subsidiary of WYT.

Mailful Investments, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOG and is principally engaged in investment holding.

The WYT Group and Suntech Investments

The WYT Group is principally engaged in (i) the manufacturing and retailing of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of “Wai Yuen Tong”, mainly in the PRC and Hong Kong; (ii) the manufacturing and sale of Western pharmaceutical and health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”; (iii) property investment; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP.

Suntech Investments, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WYT, and is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE REPURCHASE

Each of the WOG Board and the WYT Board has been monitoring the performance of its investment portfolio from time to time and considers that it is appropriate for the WOG Group and the WYT Group to realise their respective investments in the Access Funds, which in turn realise their respective indirect investments in the BREIT, so as to re-allocate resources for general working capital and/or other investment opportunities when they arise and to optimize their respective investment portfolios.

The WOG Directors and the WYT Directors (including their respective independent non-executive directors) are of the view that the terms of the Repurchase are fair and reasonable and in the interests of WOG and WYT and their respective shareholders as a whole.

LISTING RULES IMPLICATION

As the highest relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Repurchase exceeds 5% but is less than 25% for each of WOG and WYT, the Repurchase constitutes a discloseable transaction of each of WOG and WYT under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Access Funds”	Access Fund A and Access Fund B
“Access Fund A”	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC, a Cayman Islands segregated portfolio company
“Access Fund B”	CS Blackstone REIT Access Fund SPC, a Cayman Islands segregated portfolio company
“BREIT”	Blackstone Real Estate Income Trust, a non-listed, perpetual-life real estate investment trust
“BREIT Manager”	BX REIT Advisors L.L.C.
“Class A Share(s)”	a class of non-voting, participating, redeemable portfolio share(s) in the Access Funds
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Fund Managers”	Fund Manager A and Fund Manager B
“Fund Manager A”	iCapital Advisors, LLC, the manager of Access Fund A
“Fund Manager B”	Credit Suisse AG, the manager of Access Fund B
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mailful Investments”	Mailful Investments Limited, an indirect wholly-owned subsidiary of WOG and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding

“NAV”	net asset value
“PRC”	the People’s Public of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repurchase”	repurchase of the Class A Shares held by Mailful Investments and Suntech Investments, respectively by the Access Funds at the aggregate repurchase price of approximately US\$18.05 million (equivalent to approximately HK\$142.25 million) as described in this announcement
“Repurchase Date”	the last calendar day of each month on which the shares in the Access Funds may be repurchased by the Access Funds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suntech Investments”	Suntech Investments Limited, an indirect wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“United States”	the United States of America
“US\$”	United States Dollar, the lawful currency of the United States
“WOG”	Wang On Group Limited (宏安集團有限公司*), an exempted company incorporated in Bermuda with limited liability, 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 Directors”	the directors of WOG
“WOG Group”	WOG and its subsidiaries

“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability, 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 Directors”	the directors of WYT
“WYT Group”	WYT and its subsidiaries
“WYT Shares”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WYT
“%”	per cent

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.88 as quoted by the Hong Kong Association of Banks as of the date of this announcement.

By order of the board of directors of
WANG ON GROUP LIMITED
 (宏安集團有限公司*)
Tang Ching Ho
Chairman and Executive Director

By order of the board of directors of
WAI YUEN TONG MEDICINE
HOLDINGS LIMITED
 (位元堂藥業控股有限公司*)
Tang Wai Man
Executive Director

Hong Kong, 19 September 2022

As at the date of this joint announcement, the WOG Board comprises three executive directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie; and three independent non-executive directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung.

As at the date of this joint announcement, the WYT Board comprises Mr. Tang Ching Ho, Ms. Tang Wai Man and Ms. Law Man Yee, Anita as executive directors, and Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David as independent non-executive directors.

** For identification purpose only*