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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)**

### **DISCLOSEABLE TRANSACTION REGARDING PROVISION OF FINANCIAL ASSISTANCE**

#### **PROVISION OF FINANCIAL ASSISTANCE**

On 5 October 2016, the Lender, an indirectly wholly-owned subsidiary of the Company, entered into the Loan Agreement to grant the Loan Facility to the Borrower of not exceeding a sum of HK\$100.0 million for a term of 24 months at an interest rate of 6.5% per annum.

#### **IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules as the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceed 5% and are below 25%. Therefore, the transaction is subject to the reporting and announcement requirements under the Listing Rules.

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\* *For identification purpose only*

## THE LOAN AGREEMENT

- Date** : 5 October 2016
- Lender** : Able Trend, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company as at the date of this 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 provision of finance and property development.
- Loan Facility** : an unsecured revolving loan facility of not exceeding a sum of HK\$100.0 million
- Interest rate** : 6.5% per annum
- Loan Period** : 24 months commencing from 5 October 2016, being the date of the Loan Agreement, and expiring on 4 October 2018

The Loan Facility granted to the Borrower will be funded by the internal resources of the Group. The Loan Facility may be drawn down by the Borrower during the Availability Period. The interests accrued on each Drawdown shall be payable on an annual 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 Loan Facility and all outstanding interest thereon (if any) shall, in any event, be repayable by the Borrower no later than the end of the Loan Period.

As at the date of this announcement, the Company is a substantial shareholder of Easy One holding approximately 28.51% equity interest in Easy One. As at the date hereof, Mr. Chan Chun Hong, Thomas, an executive Director, is also an executive director of Easy One. Save for the foregoing, to the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, Easy One and its associates are third parties independent of and not connected with the Company and its connected person(s).

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

The 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 principally engaged in investment holding.

The Directors believe that the Loan Agreement can generate a stable and higher return to the Shareholders comparing with the interests earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong. In addition, the Company is the single largest shareholder of the Borrower. In view of the development prospects of the Borrower, the Directors consider that it is in the interest of the Shareholders to continue to support the development of the Borrower by way of loan financing with an aim to generate return to the Shareholders in long run. The Directors are also of the view that the terms of the Loan Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned and thus the entering into of the Loan Agreement is in the interests of the Group and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules as the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceed 5% and are below 25%. Therefore, the transaction is subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, capitalised terms used herein have the following meanings:

“Able Trend” or “Lender”                      Able Trend Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company, being the lender of the Loan Facility

“associate(s)”                                      has the meaning ascribed thereto under the Listing Rules

“Availability Period”	the period commencing upon the date of the Loan Agreement and ending on the earlier of (a) the date falling one month prior to the expiry date of the Loan Period; and (b) the date on which the Loan Facility is cancelled or terminated under the provision of the Loan Agreement
“Board”	the board of the Directors
“Company”	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)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Drawdown”	a drawdown under the Loan Facility
“Easy One” or “Borrower”	Easy One Financial Group Limited 易易壹金融集團有限公司, a company incorporated in 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 of the Loan Facility
“Group”	the Company and its subsidiaries
“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
“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 Loan Facility to the Borrower

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“Loan Facility”	an unsecured revolving loan facility of not exceeding a sum of HK\$100.0 million granted by the Lender to the Borrower during the Availability Period pursuant to the Loan Agreement
“Loan Period”	a period commencing from 5 October 2016 and expiring on 4 October 2018
“PRC”	the People’s Republic 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
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“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)
“%”	per cent.

By Order of the Board  
**WAI YUEN TONG MEDICINE HOLDINGS LIMITED**  
(位元堂藥業控股有限公司\*)  
**Chan Chun Hong, Thomas**  
*Managing Director*

Hong Kong, 5 October 2016

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

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