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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 EXTENSION OF PAYMENT DATE ON OUTSTANDING BOND INTERESTS**

References are made to the (i) joint announcements issued by, *inter alia*, CAP, WOG and the Company dated 4 October 2014 and 28 November 2014 in respect of, among other things, the subscription of the WYT Bonds issued by CAP; (ii) the joint announcement issued by WOG and the Company dated 8 July 2016 in respect of, among other things, the acquisition of the Bonds by Winning Rich from Double Leads Investments Limited; and (iii) the joint announcements issued by, *inter alia*, CAP, the Company and WOG dated 29 May 2017, 27 July 2017 and 15 September 2017 in relation to, amongst other, the extension of the payment date of the Interest of the WYT Bonds.

#### **EXTENSION OF PAYMENT DATE ON OUTSTANDING BOND INTERESTS**

On 15 September 2017, Winning Rich, an indirectly wholly-owned subsidiary of the Company, entered into the Extension Agreement with CAP, pursuant to which Winning Rich agreed to further extend the payment date of the Interest of HK\$45,848,894 from 31 August 2017 to 30 November 2017 in consideration for an interest calculated at the rate of 12% per annum which shall be payable on the Interest for such extension period following the termination of the Amendment Agreement.

\* *For identification purpose only*

## IMPLICATIONS UNDER THE LISTING RULES

Since (i) one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Extension Agreement on a standalone basis exceeds 5% and is below 25%; (ii) the Company has complied with the Listing Rules in respect of the requirements for a major transaction in the WYT Subscription; and (iii) the transactions contemplated under the Extension Agreement, when aggregated with the WYT Subscription, would not result in a higher transaction classification under Chapter 14 of the Listing Rules, the Extension Agreement constitutes a discloseable transaction for the Company under the Listing Rules, which is subject to the reporting and announcement requirements under the Listing Rules.

References are made to the (i) joint announcements issued by, *inter alia*, CAP, WOG and the Company dated 4 October 2014 and 28 November 2014 in respect of, among other things, the subscription of the WYT Bonds issued by CAP; (ii) the joint announcement issued by WOG and the Company dated 8 July 2016 in respect of, among other things, the acquisition of the Bonds by Winning Rich from Double Leads Investments Limited; and (iii) the joint announcements issued by, *inter alia*, CAP, the Company and WOG dated 29 May 2017, 27 July 2017 and 15 September 2017 in relation to, amongst other, the extension of the payment date of the Interest of the WYT Bonds.

On 15 September 2017, Winning Rich, an indirectly wholly-owned subsidiary of the Company, entered into the Extension Agreement with CAP, pursuant to which Winning Rich agreed to further extend the payment date of the Interest in consideration for an interest calculated at the rate of 12% per annum which shall be payable on the Interest for such extension period following the termination of the Amendment Agreement. The terms of the Extension Agreement were arrived between the parties after arm's length negotiation with details as follows:

### THE EXTENSION AGREEMENT

<b>Date</b>	:	15 September 2017
<b>Parties</b>	:	Winning Rich, 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. Winning Rich is principally engaged in investment holding  CAP, a company incorporated under the laws of the Bermuda. CAP and its subsidiaries are principally engaged in the management and sales of agricultural produce exchange in the PRC
<b>Outstanding Interest</b>	:	the Interest of HK\$45,848,894 accrued on the WYT Bonds in the principal amount of HK\$920,000,000

**Interest rate** : 12% per annum, the amount of such interest payable shall be calculated in accordance with the terms and conditions of the WYT Bonds (where applicable)

**Extension Period** : from 31 August 2017 to 30 November 2017

As at the date of this joint announcement, (i) Mr. Yau Yuk Shing, being an executive director of CAP, is a brother-in-law of Mr. Tang Ching Ho, who is the ultimate controlling shareholder of WOG and also an executive director of the Company and WOG; and (ii) Mr. Chan Chun Hong, Thomas is an executive director of each of WOG, the Company and CAP. Save for the foregoing, to the best of the knowledge, information and belief of the respective directors after making all reasonable enquiries, CAP and its ultimate beneficial owners (other than the Company, WOG and their respective ultimate beneficial owners) are third parties independent of and not connected with the Company and its connected person(s).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EXTENSION 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 Directors consider that the Extension Agreement is relatively short term in nature and a higher return can be generated to the Shareholders. In addition, the Company is the single largest shareholder of Easy One, which in turn is also the single largest shareholder of CAP. In view of the short term funding need of CAP, the Directors consider that it is in the interest of the Shareholders to continue to provide financial support to CAP with an aim to generate return to the Shareholders in long run. The Directors are also of the view that the terms of the Extension Agreement are on normal commercial terms and fair and reasonable so far as the Company and its shareholders are concerned and thus the entering into of the Extension Agreement is in the interests of the Group and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Since (i) one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Extension Agreement on a standalone basis exceeds 5% and is below 25%; (ii) the Company has complied with the Listing Rules in respect of the requirements for a major transaction in the WYT Subscription; and (iii) the transactions contemplated under the Extension Agreement, when aggregated with the WYT Subscription, would not result in a higher transaction classification under Chapter 14 of the Listing Rules, the Extension Agreement constitutes a discloseable transaction for the Company under the Listing Rules, which 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:

“Amendment Agreement”	a letter of request for the proposed amendments to the terms and conditions of the WYT Bonds, including the change of interest rate from 10.0% to 7.5% and the extension of the payment date of the Interest from 31 August 2017 to 30 November 2017, issued by CAP and acknowledged by Winning Rich on 4 July 2017
“Bonds”	the five-year 10.0% coupon bonds with an aggregate outstanding principal amount of HK\$1,200.0 million issued by CAP on 28 November 2014
“CAP”	China Agri-Products Exchange Limited 中國農產品交易所有限公司, 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: 0149)
“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
“Directors”	the directors of the Company
“Easy One”	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)
“Extension Agreement”	a letter of request for extension issued by CAP and acknowledged by Winning Rich on 15 September 2017 pursuant to which Winning Rich agreed to further extend the payment date of the Interest

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“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
“Interest”	the outstanding interests accrued on the WYT Bond of HK\$45,848,894
“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 announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholders”	the shareholders of the Company
“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)
“Winning Rich”	Winning Rich Investments Limited, a wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands, the registered holder of the WYT Bonds
“WOG”	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 and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WYT Bonds”	the Bonds with a principal amount of HK\$920,000,000 which has been subscribed for by Winning Rich

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“WYT Subscription” the subscription of the WYT Bonds by Winning Rich  
“%” 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, 15 September 2017

*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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