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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 ACQUISITION OF PROPERTIES**

The Board announces that on 16 October 2020 (after trading hours), the Group entered into the Provisional Agreements with the Vendor pursuant to which the Group agreed to purchase, and the Vendor agreed to sell, the Properties for an aggregate consideration of HK\$43.0 million. Upon Completion, the Properties will be delivered to the Purchasers in vacant possession.

As one of the relevant applicable percentage ratios of the Acquisitions calculated in accordance with Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Acquisitions, when aggregated, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

### **ACQUISITION OF PROPERTIES**

The Board announces that on 16 October 2020 (after trading hours), the Group entered into the Provisional Agreements with the Vendor pursuant to which the Group agreed to purchase, and the Vendor agreed to sell, the Properties for an aggregate consideration of HK\$43.0 million.

### **THE PROVISIONAL AGREEMENTS**

#### **(1) the Provisional Agreement A**

*Date*

16 October 2020

\* *For identification purpose only*

## ***Parties***

- (a) City Brighter Limited, as the purchaser. The Purchaser A is an indirect wholly-owned subsidiary of the Company and is principally engaged in property holding.
- (b) Fubon Bank (Hong Kong) Limited, as the vendor. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.
- (c) Reputation (Shop) Agency Limited, as the agent. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## ***Sale and Purchase***

Pursuant to the Provisional Agreement A, the Vendor agreed to sell, and the Company agreed to purchase, the Property A subject to the terms contained therein.

## ***Property A***

The Property A is the Shop No. D on Ground Floor of Block D, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road, Nos. 20 & 22 Wing Lung Street, Kowloon, with saleable floor area of approximately 483 square feet.

## ***Consideration A***

The Consideration A is payable in cash by Purchaser A to the Vendor in the following manner:

- (a) an initial deposit in the sum of HK\$1.0 million has been paid to the Vendor upon the signing of the Provisional Agreement A;
- (b) a further deposit in the sum of HK\$0.95 million shall be paid upon the signing of the Formal Agreement A on or before 4 November 2020; and
- (c) the remaining balance of HK\$17.55 million shall be paid to the Vendor upon the Completion A on or before 15 December 2020.

Under the Provisional Agreement A, the Agent shall be entitled to receive commissions in the sums of HK\$195,000 from the Vendor and HK\$195,000 from Purchaser A not later than the date of the Completion A.

The terms of the Provisional Agreement A (including the Consideration A) are on normal commercial terms which were determined after arm's length negotiations between Purchaser A and the Vendor by reference to the market values of similar properties in the vicinity. The acquisition of the Property A will be funded by internal resources. The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement A are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Completion***

It is expected that the Completion A will take place on or before 15 December 2020.

The Vendor will deliver vacant possession of the Property A to the Purchaser A upon the Completion A.

If in any case either the Vendor or Purchaser A fails to complete the sale or purchase of the Property A in the manner contained in the Provisional Agreement A, the defaulting party shall compensate the Agent HK\$390,000 as agreed damages.

## **(2) the Provisional Agreement B**

### ***Date***

16 October 2020

### ***Parties***

- (a) Sunny Victor Limited, as the purchaser. The Purchaser B is an indirect wholly-owned subsidiary of the Company and is principally engaged in property holding.
- (b) Fubon Bank (Hong Kong) Limited, as the vendor. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.
- (c) Reputation (Shop) Agency Limited, as the agent. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### ***Sale and Purchase***

Pursuant to the Provisional Agreement B, the Vendor agreed to sell, and the Company agreed to purchase, the Property B subject to the terms contained therein.

### ***Property B***

The Property B is the Apartment No. E-1 on First Floor of Block E, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road, Nos. 20 & 22 Wing Lung Street, Kowloon, with saleable floor area of approximately 490 square feet.

### ***Consideration B***

The Consideration B is payable in cash by Purchaser B to the Vendor in the following manner:

- (a) an initial deposit in the sum of HK\$0.2 million has been paid to the Vendor upon the signing of the Provisional Agreement B;
- (b) a further deposit in the sum of HK\$0.2 million shall be paid upon the signing of the Formal Agreement B on or before 4 November 2020; and
- (c) the remaining balance of HK\$3.6 million shall be paid to the Vendor upon the Completion B on or before 15 December 2020.

Under the Provisional Agreement B, the Agent shall be entitled to receive commissions in the sums of HK\$40,000 from the Vendor and HK\$40,000 from Purchaser B not later than the date of the Completion B.

The terms of the Provisional Agreement B (including the Consideration B) are on normal commercial terms which were determined after arm's length negotiations between Purchaser B and the Vendor by reference to the market values of similar properties in the vicinity. The acquisition of the Property B will be funded by internal resources. The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement B are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Completion***

It is expected that the Completion B will take place on or before 15 December 2020.

The Vendor will deliver vacant possession of the Property B to the Purchaser B upon the Completion B.

If in any case either the Vendor or Purchaser B fails to complete the sale or purchase of the Property B in the manner contained in the Provisional Agreement B, the defaulting party shall compensate the Agent HK\$80,000 as agreed damages.

### **(3) the Provisional Agreement C**

#### ***Date***

16 October 2020

#### ***Parties***

- (a) Wai Yuen Tong (Regional) Limited, as the purchaser. The Purchaser C is an indirect wholly-owned subsidiary of the Company and is principally engaged in property holding.
- (b) Fubon Bank (Hong Kong) Limited, as the vendor. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.
- (c) Reputation (Shop) Agency Limited, as the agent. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### ***Sale and Purchase***

Pursuant to the Provisional Agreement C, the Vendor agreed to sell, and the Company agreed to purchase, the Property C subject to the terms contained therein.

#### ***Property C***

The Property C is the Shop No. E on Ground Floor of Block E, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road, Nos. 20 & 22 Wing Lung Street, Kowloon, with saleable floor area of approximately 466 square feet.

#### ***Consideration C***

The Consideration C is payable in cash by Purchaser C to the Vendor in the following manner:

- (a) an initial deposit in the sum of HK\$1.0 million has been paid to the Vendor upon the signing of the Provisional Agreement C;
- (b) a further deposit in the sum of HK\$0.95 million shall be paid upon the signing of the Formal Agreement C on or before 4 November 2020; and

- (c) the remaining balance of HK\$17.55 million shall be paid to the Vendor upon the Completion C on or before 15 December 2020.

Under the Provisional Agreement C, the Agent shall be entitled to receive commissions in the sums of HK\$195,000 from the Vendor and HK\$195,000 from Purchaser C not later than the date of the Completion C.

The terms of the Provisional Agreement C (including the Consideration C) are on normal commercial terms which were determined after arm's length negotiations between Purchaser C and the Vendor by reference to the market values of similar properties in the vicinity. The acquisition of the Property C will be funded by internal resources. The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement C are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Completion***

It is expected that the Completion C will take place on or before 15 December 2020.

The Vendor will deliver vacant possession of the Property C to the Purchaser C upon the Completion C.

If in any case either the Vendor or Purchaser C fails to complete the sale or purchase of the Property C in the manner contained in the Provisional Agreement C, the defaulting party shall compensate the Agent HK\$390,000 as agreed damages.

## **REASONS AND BENEFITS OF THE ACQUISITIONS**

The Group is principally engaged in (1) 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; (2) the processing and retailing of western pharmaceutical products and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; (3) property investment; and (4) management and operation of the agricultural produce exchange markets.

The Vendor is principally engaged in the banking business. The Agent is principally engaged in the property agency business.

The Group has been actively seeking good investment opportunity and the Directors consider that the Acquisitions are a good investment opportunity and believe that the Group will benefit from the anticipated growth in value of the Properties while expanding the retail network of the Group in Hong Kong.

The Group intends to acquire the Properties for long term purpose for its retail business.

Taking into account of the above, the Directors consider that the Acquisitions are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one of the relevant applicable percentage ratios of the Acquisitions calculated in accordance with Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Acquisitions, when aggregated, constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Acquisitions”	the acquisitions of the Properties pursuant to the Provisional Agreements
“Agent”	Reputation (Shop) Agency Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Company”	Wai Yuen Tong Medicine Holdings Limited, 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)
“Completion”	completion of the sale and purchase of the Properties under the Formal Agreements
“Completion A”	completion of the sale and purchase of the Property A under the Formal Agreement A
“Completion B”	completion of the sale and purchase of the Property B under the Formal Agreement B
“Completion C”	completion of the sale and purchase of the Property C under the Formal Agreement C

“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration A”	HK\$19.5 million, being the total consideration payable by the Purchaser A to the Vendor under the Provisional Agreement A
“Consideration B”	HK\$4.0 million, being the total consideration payable by the Purchaser B to the Vendor under the Provisional Agreement B
“Consideration C”	HK\$19.5 million, being the total consideration payable by the Purchaser C to the Vendor under the Provisional Agreement C
“Director(s)”	the director(s) of the Company
“Formal Agreement A”	the formal agreement for sale and purchase of the Property A to be entered into between the Vendor and the Purchaser A on or before 4 November 2020
“Formal Agreement B”	the formal agreement for sale and purchase of the Property B to be entered into between the Vendor and the Purchaser B on or before 4 November 2020
“Formal Agreement C”	the formal agreement for sale and purchase of the Property C to be entered into between the Vendor and the Purchaser C on or before 4 November 2020
“Formal Agreements”	collectively, the Formal Agreement A, the Formal Agreement B and the Formal Agreement C
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Properties”	collectively, the Property A, the Property B and the Property C
“Property A”	Shop No. D on Ground Floor of Block D, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road, Nos. 20 & 22 Wing Lung Street, Kowloon, with saleable floor area of approximately 483 square feet
“Property B”	Apartment No. E-1 on First Floor of Block E, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road, Nos. 20 & 22 Wing Lung Street, Kowloon, with saleable floor area of approximately 490 square feet
“Property C”	Shop No. E on Ground Floor of Block E, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road, Nos. 20 & 22 Wing Lung Street, Kowloon, with saleable floor area of approximately 466 square feet
“Provisional Agreement A”	the provisional agreement for sale and purchase dated 16 October 2020 entered into between the Vendor, Purchaser A and the Agent in relation to the sale and purchase of the Property A
“Provisional Agreement B”	the provisional agreement for sale and purchase dated 16 October 2020 entered into between the Vendor, Purchaser B and the Agent in relation to the sale and purchase of the Property B
“Provisional Agreement C”	the provisional agreement for sale and purchase dated 16 October 2020 entered into between the Vendor, Purchaser C and the Agent in relation to the sale and purchase of the Property C
“Provisional Agreements”	collectively the Provisional Agreement A, the Provisional Agreement B and the Provisional Agreement C
“Purchasers”	collectively Purchaser A, Purchaser B and Purchaser C

“Purchaser A”	City Brighter Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company
“Purchaser B”	Sunny Victor Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company
“Purchaser C”	Wai Yuen Tong (Regional) Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company
“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	the holders of Shares
“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
“Vendor”	Fubon Bank (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“%”	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**  
*Executive Director*

Hong Kong, 16 October 2020

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

\* *For identification purpose only*