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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 IN RELATION TO ACQUISITION OF NOTES

THE ACQUISITION

The Board announces that on 3 June 2019, Suntech Investments, an indirect wholly-owned subsidiary of the Company, placed an order to acquire the Notes in the secondary market in the principal amount of US\$4.0 million (equivalent to approximately HK\$31.48 million) for a total consideration of approximately US\$4.08 million (equivalent to approximately HK\$32.10 million).

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

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THE ACQUISITION

Date: 3 June 2019

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

* *For identification purpose only*

Issuer:	Sunac China Holdings Limited 融創中國控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1918). To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Sunac China Holdings Limited is a third party independent of the Company and its connected persons.
Principal amount of the Notes:	US\$4.0 million (equivalent to approximately HK\$31.48 million)
Consideration:	approximately US\$4.08 million (equivalent to approximately HK\$32.10 million), being the prevailing trading price of the Notes as quoted on SGX-ST and representing 101.95% of the principal amount of the Notes which is payable in cash upon settlement.
Maturity date:	15 February 2022, subject to early redemption provisions as set out in the terms of the Notes.
Coupon rate:	7.875% per annum payable semi-annually in arrears.
Ranking of the Notes:	<p>The Notes are general obligations of the Issuer guaranteed by certain subsidiaries of the Issuer on a senior basis, secured by a charge over the shares of certain of such subsidiaries (the “Collateral”) and subject to release under certain circumstances.</p> <p>The Notes (i) rank senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; (ii) rank at least <i>pari passu</i> in right of payment with certain existing secured indebtedness and all other unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights pursuant to applicable law); (iii) are effectively subordinated to other secured obligations (if any) of the Issuer and the subsidiaries of the Issuer which are providing guarantees under the Notes, to the extent of the value of the assets serving as security therefor (other than the Collateral); and (iv) are effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer which are not providing guarantees under the Notes.</p>

Optional redemption:

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 15 February 2021, the Issuer may redeem the Notes, in whole or in part, at a redemption price of 102% plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time prior to 15 February 2021, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the customary make whole premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 15 February 2021, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 107.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

Repurchase upon change of control:

Upon the occurrence of certain events constituting a change of control of the Issuer as result of which there is a decline in the rating of the Notes, the Issuer must make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Events of default:

The Notes contain certain events of default, including but not limited to default in the payment of principal, or of any premium, on the Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants and insolvency.

Listing:

The Notes are listed on SGX-ST

The Acquisition was funded by internal resources of the Group. Transfer of the Notes is generally subject to restrictions that they may not be offered or sold within the United States of America.

INFORMATION OF THE GROUP

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 products and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”; and (iii) property investment.

INFORMATION OF THE COUNTERPARTY

As the Notes were purchased in the secondary market through a licensed broker, the identity(ies) of the seller(s) in respect of the Notes was/were unknown to the Company at the time when the order was placed.

INFORMATION OF THE ISSUER

The Issuer is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange. The Issuer and its subsidiaries are principally engaged in the businesses of property development and investment, cultural and tourism city operation and property management services in the PRC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition forms part of the Group’s treasury activities in managing its surplus liquidity. In light of the terms of the Notes including the Acquisition price, being prevailing price in an open market, the coupon rate, the maturity date and the credit rating of the Issuer, the Directors (including independent non-executive Directors) are of the view that the terms of the Notes are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

DEFINITIONS

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

“Acquisition”	the acquisition of the Notes in the secondary market in the principal amount of US\$4.0 million (equivalent to approximately HK\$31.48 million) by Suntech Investments for a total consideration of approximately US\$4.08 million (equivalent to approximately HK\$32.10 million) on 3 June 2019
“Board”	the board of 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
“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 People’s Republic of China
“Issuer”	Sunac China Holdings Limited 融創中國控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1918) which is rated “BB–” by Standard & Poor’s and “Ba3” by Moody’s Investors Service as of the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$4.0 million 7.875% senior notes due 15 February 2022 (which are listed on SGX-ST) issued by the Issuer which are rated “B+” by Standard & Poor’s and “B1” by Moody’s Investors Service as of the date of this announcement

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“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
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Suntech Investments”	Suntech Investments Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.869 as quoted by the Hong Kong Association of Banks as of the date of this announcement.

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, 3 June 2019

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.

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