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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 8 June 2021, Upper Speed, an indirect non-wholly owned subsidiary of the Company, acquired from the secondary market the Notes issued by the Issuer in the principal amount of US\$5.0 million (equivalent to approximately HK\$38.9 million) at the purchase price of approximately US\$5.06 million (equivalent to approximately HK\$39.4 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 of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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Issue Date of the Notes and Issue Size:	The Notes were issued by the Issuer pursuant to an offering memorandum issued by it on 27 September 2016 with an initial issue size of US\$400 million.
Issuer:	Fantasia Holdings Group Co., Limited, 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: 1777). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Issuer is a third party independent of the Company and its connected persons.
Principal amount acquired:	US\$5.0 million (equivalent to approximately HK\$38.9 million)
Purchase price:	Approximately US\$5.06 million (equivalent to approximately HK\$39.4 million) to be settled in cash, inclusive of purchase price for the Notes at 99.7% to the principal amount of the Notes acquired, accrued interest and other costs and expenses.
Maturity date:	4 October 2021, subject to early redemption provisions as set out in the terms of the Notes
Coupon rate:	The Notes bear interest at 7.375% per annum, payable semi-annually in arrears on 4 April and 4 October of each year.

- Ranking of the Notes:** The Notes are general obligations of the Issuer and are (a) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; (b) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (c) guaranteed by the certain subsidiaries of the Issuer on a senior basis, subject to certain limitations; (d) effectively subordinated to the secured obligations (if any) of the Issuer and its subsidiaries which are providing guarantees under the Notes, to the extent of the value of the assets serving as security therefor (other than the collateral securing the Notes); and (e) effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer which are not providing guarantees under the Notes.
- Optional redemption:** Pursuant to the terms and conditions of the Notes, the Issuer may, at its option and with not less than 30 days' nor more than 60 days' notice, redeem the Notes in whole or in part at a redemption price equal to 101.844% of the principal amount of the Notes being redeemed, plus any accrued and unpaid interest to (but not including) the redemption date.
- 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 will 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.
- Redemption for Taxation Reason:** If the Issuer or any of its subsidiaries providing a guarantee in respect of the Notes would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances, then subject to certain exceptions, the Issuer may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any additional amounts accounting for certain withholding or deductions), if any, to the date fixed by the Issuer for redemption.

Events of default: The Notes contain provisions in respect of certain events of default, following which the Notes together with any interest thereon may be declared or automatically become immediately due and payable. Such events include but are 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 consecutive days, breaches of covenants, cross defaults, unpaid judgment debt and insolvency.

Collateral: The capital stock of each initial subsidiary guarantor referred to in the offering memorandum in respect of the Notes are pledged to secure the Issuer's obligations under the Notes.

Listing: The Notes are listed and traded on the SGX-ST.

The consideration for the Acquisition will be funded by internal resources of the Group.

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 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 through its subsidiary, China Agri-Products Exchange Limited.

Upper Speed is principally engaged in investment holding. It is an indirect wholly-owned subsidiary of China Agri-Products Exchange Limited, a 53.37%-owned listed subsidiary of the Company.

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. Based on announcement issued by the Issuer, the Issuer is a property developer and property related service provider 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 and presents an opportunity for the Group to balance and diversify its investment portfolio, in addition to generating a stable return to the Group. The Group has previously acquired in 2019 the Existing Notes in the aggregate principal amount of US\$1.0 million (which did not constitute a notifiable transaction requiring an announcement by the Company at the time) which has generated total interest of approximately US\$0.18 million for the Group up to the date of this announcement. In light of the terms of the Notes including 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 of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company 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:

“Acquisition”	the acquisition of Notes in the aggregate principal amount of US\$5.0 million (equivalent to approximately HK\$38.9 million) by Upper Speed at the purchase price of approximately US\$5.06 million (equivalent to approximately HK\$39.4 million) on 8 June 2021
“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
“Existing Notes”	11.75% senior notes due 2022 issued by the Issuer previously acquired by members of the Group in 2019 in the aggregate principal amount of US\$1.0 million
“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”	Fantasia Holdings Group Co., Limited, 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: 1777)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	7.375% senior notes due 2021 issued by the Issuer
“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)

“Upper Speed”	Upper Speed Investments Limited, an indirect non-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\$7.789 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*)
Tang Ching Ho
Chairman and Managing Director

Hong Kong, 8 June 2021

As at the date of this announcement, the 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*