

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
IN RELATION TO ACQUISITION OF PROPERTY**

**THE ACQUISITION**

The Board announces that on 8 May 2014, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor for the purchase of the Property at a cash consideration of HK\$40.3 million, which will be satisfied by the Group's internal resources and banking facilities.

The Property is located in Kowloon, which is currently used by the Vendor for commercial purpose. Upon Completion, the Property will be delivered to the Purchaser in vacant possession.

**GENERAL**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

**THE PROVISIONAL AGREEMENT**

**1. Date**

8 May 2014

**2. Parties**

i. Vendor: an independent third party individual, as the vendor; and

\* *For identification purpose only*

- ii. Purchaser: Sky Success Limited, an indirect wholly-owned subsidiary of the Company, which is principally engaged in property holding.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is a third party independent of and not connected with the Company and its connected persons and there was no previous transaction entered into between the Company and the Vendor prior to the date of the Provisional Agreement.

### **3. Assets to be acquired of**

The Property, being the premise at G/F., No. 76B To Kwa Wan Road, Kowloon with a saleable floor area of approximately 513.0 square feet, which is currently used by the Vendor for commercial purpose. The Vendor will deliver vacant possession of the Property to the Purchaser upon Completion.

To the best knowledge and information of the Directors, the rateable value of the Property as assessed by the Rating and Valuation Department for the year 2014 to 2015 is HK\$624,000 per annum.

### **4. Consideration**

The Consideration is HK\$40.3 million, among which, HK\$2.0 million was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement as an initial deposit, HK\$2.03 million shall be paid upon entering into the formal agreement on or before 22 May 2014 as a further deposit and the balance of HK\$36.27 million shall be paid upon Completion on or before 6 August 2014.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing market price of similar properties at similar location. The Consideration will be financed by the Group's internal resources and banking facilities.

### **5. Conditions Precedent**

The Acquisition is subject to completion of the sale and purchase as contemplated under the Provisional Agreement, pursuant to which the Purchaser agreed to acquire the Property from the Vendor at a consideration of HK\$40.3 million.

### **6. Completion**

Pursuant to the Provisional Agreement, Completion will take place on or before 6 August 2014.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Purchaser is principally engaged in property holding. The Group is principally engaged in (i) 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 Property is currently used by the Vendor for commercial purpose and will deliver vacant possession of the Property to the Purchaser upon Completion. The Group will either use the Property by itself or lease out the Property after Completion for rental income, depending on the then market circumstances. The Directors believe in the long term prospect of commercial properties in Hong Kong and hence consider that the Acquisition will strengthen the Group's property portfolio and/or income base.

The Directors, including the independent non-executive Directors, consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of 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 the Property by the Purchaser from the Vendor pursuant to the Provisional 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)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the total cash consideration for the Acquisition, being HK\$40.3 million
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

\* *For identification purpose only*

“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
“Property”	being the premise at G/F., No. 76B To Kwa Wan Road, Kowloon with a saleable floor area of approximately 513.0 square feet
“Provisional Agreement”	the provisional sale and purchase agreement dated 8 May 2014 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Purchaser”	Sky Success Limited, an indirect wholly-owned subsidiary of the Company, which is principally engaged in property holding
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the 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 as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Vendor”	an independent third party individual, independent of and not connected with the Company and its connected persons

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, 9 May 2014

*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. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Yuen Chi Choi and Mr. Cho Wing Mou.*

\* *For identification purpose only*