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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)

ANNOUNCEMENT

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ADVANCE TO CHINA AGRI-PRODUCTS**

The Board would like to announce that on 11 January 2011, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower the Loan. The full principal amount of the Loan may be drawn down by the Borrower during the Loan Period.

The transaction contemplated under the Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

THE AGREEMENT

Date:	11 January 2011
Lender:	Give Power, an indirect wholly-owned subsidiary of the Company
Borrower:	China Agri-Products
Loan:	HK\$60 million
Loan Period:	commencing from 11 January 2011 and expiring on 30 September 2012

The Loan granted to the Borrower was funded by internal resources of the Group.

The Agreement was entered into between the Lender and the Borrower on 11 January 2011, pursuant to which the Lender agreed to grant the Loan to the Borrower. The Loan is unsecured and carries an interest rate of 8% per annum which was determined with reference to the prevailing market situation. The full principal amount of each drawdown and all outstanding interest thereon (if any) will be repayable by the Borrower no later than the

* *For identification purpose only*

Repayment Date. The full principal amount of the Loan may be drawn down by the Borrower during the Loan Period. As at the date of this announcement, no drawdown was made under the Loan.

Give Power is principally engaged in investment holding.

As at the date of this announcement, Mr. Chan Chun Hong, Thomas, an executive Director of the Company, was also an executive director of the Borrower. Save for the foregoing, to the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, the Borrower and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE AGREEMENT

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; and (ii) processing and retailing of western pharmaceutical products under the brand name of “Madame Pearl’s” and “Pearl’s”.

The Borrower together with its subsidiaries are principally engaged in property rental in respect of agricultural produce exchanges and the food and beverage business in the PRC.

The Directors believe that the Agreement can generate a higher return to the Shareholders comparing with the interest earned by making a Hong Kong dollar time deposit with financial institutions in Hong Kong, and are of the view that the terms of the Agreement are on normal commercial terms and fair and reasonable as far as the Company and the Shareholders are concerned and thus the entering into of the Agreement is in the interests of the Group and the Shareholders as a whole.

GENERAL

The transaction contemplated under the Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

“Agreement”	the loan agreement dated 11 January 2011 entered into between the Lender and the Borrower pursuant to which the Lender agreed to grant the Loan to the Borrower
“Board”	the board of the Directors
“China Agri-Products” or “Borrower”	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 and whose shares are listed on the main board of the Stock Exchange (Stock Code: 149)

“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 and whose shares are listed on the main board of the Stock Exchange (Stock Code: 897)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Give Power” or “Lender”	Give Power Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and was indirectly wholly owned by the Company as at the date of this announcement
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan of not exceeding a sum of HK\$60 million granted by the Lender to the Borrower pursuant to the Agreement
“Loan Period”	a period commencing from 11 January 2011 and expiring on 30 September 2012
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Repayment Date”	the end of the Loan Period
“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
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules

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

Hong Kong, 11 January 2011

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.

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