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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 REGARDING LOANS TO PNG RESOURCES HOLDINGS LIMITED

Reference is made to the Announcement issued jointly by the Company and the Borrower in relation to, among others, the granting of the Loan Facility by the Lender, an indirect wholly-owned subsidiary of the Company, to the Borrower pursuant to the Loan Agreement.

On 11 July 2011, the Lender and the Borrower have entered into a Supplemental Loan Agreement to the Loan Agreement, pursuant to which the Lender agreed to extend the repayment date under the Loan Agreement for three years upon the maturity date. Save as amended by the Supplemental Loan Agreement, all other terms and conditions of the Loan Agreement remain unchanged.

The transactions contemplated under the Loan Agreement when aggregated with the Previous Loan Facility advanced by the Lender to the Borrower pursuant to the Previous Loan Agreement constitute a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

INTRODUCTION

Reference is made to the Announcement dated 28 August 2009 in relation to, among others, the granting of the Loan Facility by the Lender, an indirect wholly-owned subsidiary of the Company, to the Borrower pursuant to the Loan Agreement.

* *For identification purpose only*

THE SUPPLEMENTAL LOAN AGREEMENT

On 11 July 2011, the Lender and the Borrower have entered into a Supplemental Loan Agreement to the Loan Agreement, pursuant to which the Lender agreed to extend the repayment date under the Loan Agreement for three years upon the maturity date. Save as amended by the Supplemental Loan Agreement, all other terms and conditions of the Loan Agreement remain unchanged.

The terms of the Supplemental Loan Agreement were arrived at between the parties after arm's length negotiation.

THE PREVIOUS LOANS

As at the date of this announcement, the Borrower is indebted to the Lender an aggregate sum of HK\$215 million, as to HK\$15 million under the Previous Loan Agreement and HK\$190 million under the loan agreement dated 28 August 2009 entered into between the Lender and the Borrower (details of which were disclosed in the Announcement). The Previous Loan Facility carries an interest rate of 8.0% per annum for a term of three years and will be repaid on 10 August 2013, which was determined at the time they were advanced with reference to (i) the then Hong Kong prime lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited, being 5% per annum; and (ii) the financial position of the Lender.

REASON OF THE SUPPLEMENTAL LOAN AGREEMENT

Gain Better is principally engaged in investment holding and, as at the date of this announcement, is an indirect wholly-owned subsidiary of the Company, which indirectly owned 3,813,835,000 shares of the Borrower, representing approximately 49.59% of the entire issued share capital of the Borrower. Mr. Chan Chun Hong, Thomas, an executive Director and a director of Gain Better, is 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 subsidiaries.

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 and health care products under the brand names of "Madame Pearl's" and "Pearl's", respectively.

The Borrower together with its subsidiaries are principally engaged in property development in the PRC, natural resources business and sale of fresh pork meat and related products.

The Directors consider that the above-mentioned amendments to the Loan Agreement will continue to generate interest income to the Company. The Supplemental Loan Agreement contemplated therein is on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Save as amended by the Supplemental Loan Agreement, all other terms and conditions of the Loan Agreement remain unchanged.

GENERAL

The transactions contemplated under the Loan Agreement when aggregated with the Previous Loan Facility advanced by the Lender to the Borrower pursuant to the Previous Loan Agreement constitute a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

“Announcement”	a joint announcement issued by the Company and the Borrower dated 28 August 2009 in relation to, among others, the granting of the Loan Facility by the Lender to the Borrower pursuant to the Loan Agreement
“Board”	the board of the Directors
“Borrower”	PNG Resources Holdings Limited (formerly known as LeRoi Holdings Limited), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 221)
“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 the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 897)
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender” or “Gain Better”	Gain Better Investments 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* For identification purpose only

“Loan Agreement”	the loan agreement entered into between the Lender and the Borrower on 10 July 2009 in relation to the advance of the Loan Facility
“Loan Facility”	a loan facility of not exceeding a sum of HK\$10 million granted by the Lender to the Borrower pursuant to the Loan Agreement
“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 People’s Republic of China
“Previous Loan Agreement”	a loan agreement dated 11 August 2010, entered into between the Lender and the Borrower pursuant to which the Lender agreed to advance the Previous Loan Facility to the Borrower
“Previous Loan Facility”	a loan in a sum of HK\$15 million advanced by the Lender to the Borrower pursuant to the Previous Loan Agreement
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement”	the supplemental loan agreement dated 11 July 2011, entered into between the Lender and the Borrower to vary and amend certain terms and conditions of the Loan Agreement

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, 11 July 2011

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun, and four independent non-executive Directors, namely Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Yuen Chi Choi and Mr. Cho Wing Mou.

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