

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)

**DISCLOSEABLE TRANSACTION
REGARDING
THE EXTENSION OF REPAYMENT DATES FOR LOAN ADVANCED TO
CHINA AGRI-PRODUCTS EXCHANGE LIMITED**

On 6 September 2012, Give Power (an indirect wholly-owned subsidiary of the Company) entered into the Amendment Deeds to the Previous Loan Agreements with CAP, pursuant to which Give Power agreed to extend the repayment dates under each of the Previous Loan Agreements for a further period of 24 months upon each of the respective maturity dates, being 30 September 2012, to 30 September 2014 in consideration for an increase in interest rate from 8% to 10% per annum.

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

Reference was made to the announcement of the Company dated 11 January 2011 in relation to the Previous Loan Facilities.

AMENDMENT DEEDS IN RELATION TO THE EXTENSION OF LOAN REPAYMENT DATES AND THE INCREASE IN INTEREST RATE

Give Power, an indirect wholly-owned subsidiary of the Company has entered into the Previous Loan Agreements with CAP in January and March 2011, respectively, details of which are as follows:

Agreement date	Loan amount <i>HK\$ (in million)</i>	Interest rate %	Repayment date
11 January 2011	60	8	30 September 2012
10 March 2011	15	8	30 September 2012

* *For identification purpose only*

On 6 September 2012, Give Power and CAP entered into the Amendment Deeds, pursuant to which Give Power agreed to extend the respective repayment dates under each of the Previous Loan Agreements for a further period of 24 months upon each of the respective maturity dates, being 30 September 2012, to 30 September 2014, in consideration for an increase in interest rate from 8% to 10% per annum.

As at the date of this announcement, CAP is indebted to Give Power in an aggregate amount of HK\$75 million under the Previous Loan Facilities which will soon fall due on 30 September 2012. The interest rate of 10% per annum was determined with reference to (i) the prevailing Hong Kong best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited, being 5% per annum; and (ii) the financial position of CAP.

The terms of each of the Amendment Deeds were arrived at between the parties after arm's length negotiation.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENTS

Give Power is principally engaged in investment holding. 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; and (ii) the processing and retailing of western pharmaceutical products under the brand names of "Madame Pearl's" and "Pearl's".

CAP is principally engaged in property rental and property sale in respect of agricultural produce exchange business in the PRC.

As at the date of this announcement, the Company is a substantial shareholder of PNG Resources Holdings Limited ("PNG"), holding approximately 49.59% equity interest, which in turn is the substantial shareholder of CAP, holding approximately 28.22% of its entire issued share capital. As at the date hereof, Mr. Chan Chun Hong, Thomas, an executive Director, is also an executive director of PNG and CAP. Save for the foregoing, to the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, CAP and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules).

The Directors believe that the renewal of the Previous Loan Facilities as contemplated under the Loan Agreements can generate a higher return to the Company and 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 Loan Agreements 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 Loan Agreements is in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreements constitutes 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 have the meanings as set out below:

“Amendment Deeds”	the two amendment deeds, all dated 6 September 2012, entered into between Give Power and CAP to amend and supplement certain terms and conditions of the Previous Loan Agreements
“Board”	the board of the Directors
“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, 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: 0149)
“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)
“Director(s)”	the director(s) of the Company
“Give Power”	Give Power Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company
“Group”	the Company together with 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
“Loan Agreements”	collectively, the Previous Loan Agreements as supplemented by the Amendment Deeds
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Loan Agreements”	two loan agreements dated 11 January 2011 and 10 March 2011, respectively, entered into between Give Power and CAP pursuant to which Give Power agreed to advance the Previous Loan Facilities to CAP
“Previous Loan Facilities”	two loan facilities in the aggregate amount of HK\$75 million granted by Give Power to CAP pursuant to the Previous Loan Agreements
“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)

^{*} For identification purpose only

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning as ascribed thereto under the Companies Ordinance
(Chapter 32 of the Laws of Hong Kong)

“%” per cent.

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, 6 September 2012

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*