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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)

INSIDE INFORMATION PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the financial year ended 31 March 2021 and the information currently available to the Board, the Group is expected to record a loss attributable to owners of the parent of not more than approximately HK\$450 million for the financial year ended 31 March 2021 as compared with the profit attributable to owners of the parent recorded in the last published annual report for the financial year ended 31 March 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**” or the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the financial year ended 31 March 2021 and the information currently available to the Board, the Group is expected to record a loss attributable to owners of the parent of not more than approximately HK\$450 million for the financial year ended 31 March 2021 as compared with the profit attributable to owners of the parent recorded in the last published annual report for the financial year ended 31 March 2020. Such expected loss is mainly attributable to, among other things, (i) the loss resulting from the disposal of the Group’s investment in Easy One Financial Group Limited (“**EOG**”), the then associate of the Company; (ii) absence of gain on disposal of items of property, plant and equipment and an investment property as recorded in 2020; and (iii) absence of gain on bargain purchase arising from acquisition of approximately 53.37% equity interest in China Agri-Products Exchange Limited (“**CAP**”, a non-wholly owned subsidiary of the Company which is listed on the Stock Exchange with stock code: 149) on 12 February 2020.

The Board would like to keep its shareholders and potential investors informed that CAP published an announcement on 18 June 2021 in relation to a potential write back of two instruments (two promissory notes payables and their related interest payables) of approximately HK\$660 million which will lead to an increase in profit of CAP during its financial year ended 31 March 2021. It is noted that the Group may account for the write back as an additional gain on bargain purchase for the financial year ended 31 March 2020, as CAP was acquired by the Group during the financial year ended 31 March 2020 and the acquirer is required to retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date in accordance with Hong Kong Financial Reporting Standard 3 *Business Combination*, which is subject to review by the independent auditors of the Company. In other words, such potential write back is not expected to, on consolidation, affect the financial results of the Group for the financial year ended 31 March 2021.

As the Company is still in the course of finalizing its annual results for the financial year ended 31 March 2021, the information contained in this announcement is only based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the financial year ended 31 March 2021 and the information currently available to the Board and subject to finalization of valuation results of investment properties and financial instruments by independent professional valuers, which have yet to be confirmed, reviewed or audited by the independent auditors of the Company. Details of the performance of the Group for the financial year ended 31 March 2021 will be disclosed in the annual results announcement of the Company which is expected to be published by end of June 2021 in accordance with the requirements under the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Mr. Tang Ching Ho
Chairman and Managing Director

Hong Kong, 18 June 2021

As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Ms. Tang Wai Man and Ms. Law Man Yee, Anita, and the independent non-executive Directors are Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David.

** For identification purpose only*