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## **JIWA BIO-PHARM HOLDINGS LIMITED**

**積華生物醫藥控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 2327)**

### **ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS**

The directors of Jiwa Bio-Pharm Holdings Limited (the “Company”) announce that on 17 September 2012, Jiwa International, a wholly-owned subsidiary of the Company, had renewed the tenancy agreements with its connected persons namely, Jiwa Investment Limited (the “Jiwa Investment”) and Mr. Lau Yau Bor (“Mr. Lau”), respectively (the “Continuing Connected Transactions”).

Jiwa Investment is wholly owned by Mr. Lau and his spouse (“Madam Chan”), both are directors of Jiwa Investment. Mr. Lau and Madam Chan are directors of the Company. Mr. Lau, Madam Chan and Jiwa Investment are therefore connected persons of the Company under the Listing Rules.

The Continuing Connected Transactions constitute connected transactions for the Company under the Listing Rules. The Continuing Connected Transactions will be subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

#### **1. THE CONTINUING CONNECTED TRANSACTIONS**

##### **(i) The Albany Tenancy Agreement**

Date of agreement : 17 September 2012

Landlord: : Jiwa Investment

Tenant : Jiwa International

\* for identification purpose only

Premises : Apartment A1 (also known as Apartment C), 21st Floor and Car Park No. 21 on 4th Floor (Carpark Level 5), The Albany, No. 1 Albany Road, Hong Kong with a total gross floor area of approximately 201 square metres

Term : two years commencing from 1 September 2012 to 31 August 2014 (both days inclusive)

Annual rental : HK\$1,272,000 (HK\$106,000 per month)

Payment method : Payable monthly in advance on the first day of each calendar month by cash.

**(ii) The Robinson Tenancy Agreement**

Date of agreement : 17 September 2012

Landlord: : Mr. Lau

Tenant : Jiwa International

Premises : Apartment A on 22th Floor and Car Parking Space No. 7 on 4th Floor of Regal Crest, No. 9 Robinson Road, Hong Kong with a gross floor area of approximately 215 square metres.

Term : two years commencing from 1 September 2012 to 31 August 2014 (both days inclusive)

Annual rental : HK\$888,000 (HK\$74,000 per month)

Payment method : Payable monthly in advance on the first day of each calendar month by cash.

**(iii) The Lippo Tenancy Agreement**

Date of agreement : 17 September 2012

Landlord: : Jiwa Investment

Tenant : Jiwa International

Premises : Office 4, 29th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong with a total gross floor area of approximately 210 square metres

Term	:	two years commencing from 1 September 2012 to 31 August 2014 (both days inclusive)
Annual rental	:	HK\$1,296,000 (HK\$108,000 per month)
Payment method	:	Payable monthly in advance on the first day of each calendar month by cash.

### **Reason for the Continuing Connected Transactions**

The premises subject to the Albany Tenancy Agreement and the Robinson Tenancy Agreement are being used and will be used by the Group as executives' quarters. The premises subject to the Lippo Tenancy Agreement is being used and will continue to be used as the Company's head office.

### **Basis for Determining the Rental**

The rental payable under each of the Albany Tenancy Agreement, the Robinson Tenancy Agreement and the Lippo Tenancy Agreement (the "Tenancy Agreements"), represent the current market rental of the relevant premises as provided by Roma Appraisals Limited in the valuation reports dated 23 August 2012. The Directors (including the independent non-executive Directors) are of the opinion that each of the Albany Tenancy Agreement, the Robinson Tenancy Agreement and the Lippo Tenancy Agreement are made on normal commercial terms in the ordinary and usual course of business of the Group and is in the best interests of the Company and its shareholders as a whole and that its terms and conditions are fair and reasonable to the Company.

Save as disclosed above, there is no other rental agreement between Jiwa Investment, Mr. Lau, Madam Chan and the Group.

Mr. Lau and Madam Chan have respectively 90% and 10% shareholding interests in Jiwa Investment, both are directors of the company, therefore, they were required to abstain from voting on the board resolution to approve the Tenancy Agreements and the annual caps set for the years 2013, 2014 and 2015.

With reference to the announcement dated 1 September 2010, the aggregate rental fee under the Albany Tenancy Agreement, the Robinson Tenancy Agreement and the Lippo Tenancy Agreement, were subject to the following annual cap and shall not exceed:

- (a) HK\$2,715,000 for the year ended 31 March 2011;
- (b) HK\$2,760,000 for the year ended 31 March 2012; and
- (c) HK\$1,150,000 for the year ended 31 March 2013.

The actual transaction amounts of the Tenancy Agreements for the financial year ended 31 March 2011 and 31 March 2012 were HK\$2,715,000 and HK\$2,760,000 respectively.

Due to the renewal of the Tenancy Agreements, the annual cap set previously for the year ended 31 March 2013 would have to be revised, the Company would like to revise the annual cap for the year ended 31 March 2013 upward to HK\$3,166,000; and the annual cap for the year ended 31 March 2014 and 31 March 2015 be set as HK\$3,456,000 and HK\$1,440,000 respectively.

### **Listing Rule Implications**

The aggregated transactions under the Albany Tenancy Agreement, the Robinson Tenancy Agreement and the Lippo Tenancy Agreement would constitute continuing connected transactions for the Company under the Listing Rules and will be subject to the reporting and announcement requirements but will be exempt from independent shareholders' approval requirements under Rule 14A.34(1) of the Listing Rules. The Company will comply with the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

The Company will comply with Rules 14A.37-14A.41 of the Listing Rules in respect of the Continuing Connected Transactions.

## **2. GENERAL**

The Group is principally engaged in trading, research and development, and investment business. The principal business of Jiwa Investment is property investment. Jiwa Investment is wholly owned by Mr. Lau and Madam Chan. Mr. Lau and Madam Chan are directors of the Company. Jiwa Investment is therefore a connected person of the Company under the Listing Rules.

## **3. DEFINITIONS**

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

“Albany Tenancy Agreement” the tenancy agreement dated 17 September 2012 entered into between Jiwa Investment and Jiwa International;

“Board” the board of Directors;

“Company” Jiwa Bio-Pharm Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;

“connected person”	has the meaning as given in the Listing Rules;
“Continuing Connected Transactions”	the transactions under the Albany Tenancy Agreement, the Robinson Tenancy Agreement and the Lippo Tenancy Agreement;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Jiwa International”	Jiwa International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Jiwa Investment”	Jiwa Investment Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by Mr. Lau and Madam Chan;
“Lippo Tenancy Agreement”	the tenancy agreement dated 17 September 2012 entered into between Jiwa Investment and Jiwa International;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lau”	Mr. Lau Yau Bor, a Director and a substantial shareholder of the Company who is interested in approximately 57.62% of the issued share capital of the Company as at the date of this announcement;
“Madam Chan”	Madam Chan Hing Ming, spouse of Mr. Lau, a Director of the Company who is interested in approximately 7.18% of the issued share capital of the Company as at the date of this announcement;
“Robinson Tenancy Agreement”	the tenancy agreement dated 17 September 2012 entered into between Mr. Lau and Jiwa International;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“substantial shareholder” has the meaning as given in the Listing Rules;

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong; and

“%” per cent.

By order of the Board of  
**Jiwa Bio-Pharm Holdings Limited**  
**Chan Hing Ming**  
*Executive Director and Chief Executive Officer*

Hong Kong, 17 September 2012

*As at the date of this announcement, members of the Board comprise three executive Directors, namely Mr. Lau Yau Bor, Madam Chan Hing Ming and Mr. Lau Kin Tung and three independent non-executive Directors, namely Mr. Chiu Wai Piu, Mr. Choy Ping Sheung and Mr. Fung Tze Wa.*