Weikang Bio-technology Group, Inc. Completes HQ Relocation After Purchasing Building for $14 Million and Answers Questions About its Third Quarter Financials

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HARBIN, China, Dec. 28, 2011 /PRNewswire-Asia-FirstCall/ -- Weikang Bio-technology Group, Inc. (the "Company," "Weikang" or WKBT.PK) today announced that the Company has completed moving all of its management departments into the building it purchased last quarter for $14 million. Located at No.365 Chengde Street in the Daowai District of Harbin, the hub of northeast China, Weikang previously rented two floors of the building.

Mr. Yin Wang, the Chairman and CEO of Weikang commented, "We are very glad that finally we have our own headquarters building, which can accommodate all of our departments, instead of having to rent different places for different departments."

On a conference call on December 15, 2011, Mr. Wang explained to investors about the WKBT HQ building and its purchase. "The building has ten floors with 7,000 square meters (approximately 70,000 square feet) and I believe it will improve our management efficiency. Although the $14 million price tag of the building is a big number, it already came down from its peak asking price by its previous owner, which is a local credit union. We believe it is necessary to include this building at this moment as part of our business expansion plan for the next few years."

Mr. Wang also answered some additional investor questions regarding WKBT's third quarter financial statements from the list below:

Question:

Why did Net Sales increase 11% from the prior year yet Accounts Receivable increased 10 times from $650,000 to $6.5 million?

Answer:

"The market for our products has been affected by the slowing down of the economy in China in the recent months. To cope with that, we extended credit terms to some large customers from 30 days to 60 days. As result, the AR increased to $6.5 million, the collection of which has been very good with no delays. Despite the increase in AR, percentage-wise, the amount is still under control," said Chairman Wang.
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