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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)

RESULTS OF THE RIGHTS ISSUE IN THE PROPORTION OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE AT HK\$0.108 PER RIGHTS SHARE AND ADJUSTMENTS TO THE SHARE OPTIONS

RESULTS OF THE RIGHTS ISSUE

The Board announces that, as at 4:00 p.m. on Monday, 11 May 2015, being the Latest Time For Acceptance of, and payment for, the Rights Shares and the application and payment for excess Rights Shares: (i) 226 valid acceptances in respect of a total of 1,682,845,011 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 79.81% of the total number of the Rights Shares available under the Rights Issue; and (ii) 148 valid applications in respect of a total of 2,260,850,452 excess Rights Shares have been received, representing approximately 107.22% of the total number of the Rights Shares available under the Rights Issue. In aggregate, 374 valid acceptances and applications in respect of a total of 3,943,695,463 Rights Shares, representing approximately 187.03% of the total number of the Rights Shares available under the Rights Issue, have been received.

As a result of the over-subscription of the Rights Shares, the Underwriter's obligations under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged and the Underwriter is not required to take up any Underwritten Shares.

* For identification purpose only

As all the conditions set out in the Underwriting Agreement have been fulfilled, the Rights Issue has become unconditional at 4:00 p.m. on Friday, 15 May 2015.

EXCESS RIGHTS SHARES

148 valid applications were received in respect of a total of 2,260,850,452 excess Rights Shares. Based on the number of valid acceptances referred to the above, only 425,726,473 Rights Shares will be available for excess applications. Accordingly, the Board has resolved to allocate the 425,726,473 excess Rights Shares on a fair and equitable basis and on a pro-rata basis to those Qualifying Shareholders who applied for excess Rights Shares with reference to the number of excess Rights Shares applied for by them. No preference has been given to topping-up odd lots to whole board lots.

DESPATCH OF REFUND CHEQUES AND SHARE CERTIFICATES FOR THE RIGHTS ISSUE

As all the conditions of the Rights Issue set out in the Prospectus have been fulfilled, it is expected that the refund cheques and share certificates for the fully-paid Rights Shares will be despatched to those entitled at their own risk by ordinary post on Tuesday, 19 May 2015.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 20 May 2015.

ADJUSTMENTS TO THE SHARE OPTIONS

As a result of the Rights Issue, adjustments will be made to the exercise prices and the number of Shares falling to be allotted and issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03 of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. The Share Option Adjustments have been reviewed and confirmed in writing by the auditors of the Company and will come into effect on Tuesday, 19 May 2015.

Reference is made to the prospectus of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*) (the “**Company**”) dated 24 April 2015 in relation to the Rights Issue (the “**Prospectus**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus unless otherwise stated.

RESULTS OF THE RIGHTS ISSUE

The Board announces that, as at 4:00 p.m. on Monday, 11 May 2015, being the Latest Time For Acceptance of, and payment for, the Rights Shares and the application and payment for excess Rights Shares: (i) 226 valid acceptances in respect of a total of 1,682,845,011 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 79.81% of the total number of the Rights Shares available under the Rights Issue; and (ii) 148 valid applications in respect of a total of 2,260,850,452 excess Rights Shares have been received, representing approximately 107.22% of the total number of the Rights Shares available under the Rights Issue. In aggregate, 374 valid acceptances and applications in respect of a total of 3,943,695,463 Rights Shares, representing approximately 187.03% of the total number of the Rights Shares available under the Rights Issue, have been received.

Pursuant to the WOG Irrevocable Undertaking, Rich Time has: (i) subscribed for, or procured its associates to subscribe for, 432,271,017 Rights Shares; and (ii) applied, or procured its associates to apply, by way of excess application, for 530,000,000 Rights Shares.

As a result of the over-subscription of the Rights Shares, the Underwriter’s obligations under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged and the Underwriter is not required to take up any Underwritten Shares.

As all the conditions of the Rights Issue set out in the Prospectus have been fulfilled, the Rights Issue has become unconditional at 4:00 p.m. on Friday, 15 May 2015.

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EXCESS RIGHTS SHARES

148 valid applications were received in respect of a total of 2,260,850,452 excess Rights Shares. Based on the number of valid acceptances referred to the above, only 425,726,473 Rights Shares will be available for excess applications. Accordingly, the Board has resolved to allocate the 425,726,473 excess Rights Shares on a fair and equitable basis and on a pro-rata basis to those Qualifying Shareholders who applied for excess Rights Shares with reference to the number of excess Rights Shares applied for by them. No preference has been given to topping-up odd lots to whole board lots.

The 425,726,473 excess Rights Shares are allotted on the following basis:

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of excess Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category	Basis of allotment
1 to 183,860,000	147	548,712,967	103,322,691	18.83	Approximately 18.83% of the excess Rights Shares applied for (rounded up to the nearest Rights Share)
1,712,137,485	1	1,712,137,485	322,403,782	18.83	Approximately 18.83% of the excess Rights Shares applied for

SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company as at the date of this announcement, the shareholding structures of the Company immediately before and after completion of the Rights Issue are as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %
WOG Group	864,542,034	20.50	1,396,612,051 (Note 2)	22.08
<i>Other Shareholders</i>				
The Underwriter (Note 1)	1	0.00	1	0.00
Other public Shareholders	3,352,600,934	79.50	4,929,102,401 (Note 2)	77.92
Total	<u>4,217,142,969</u>	<u>100.00</u>	<u>6,325,714,453</u>	<u>100.00</u>

Notes:

- (1) As a result of the over-subscription of the Rights Shares, the Underwriter's obligations under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged, and the Underwriter is not required to take up any Underwritten Shares.
- (2) The numbers of Rights Shares are calculated by reference to the basis of allotment as described in the section headed "Excess Rights Shares" of this announcement which are held through nominees (including HKSCC Nominees Limited) and are subject to adjustment according to the actual allocation by HKSCC Nominees Limited under the excess application by the WOG Group.

DESPATCH OF REFUND CHEQUES AND SHARE CERTIFICATES FOR THE RIGHTS ISSUE

As all the conditions of the Rights Issue set out in the Prospectus have been fulfilled, it is expected that the refund cheques and share certificates for the fully-paid Rights Shares will be despatched to those entitled at their own risk by ordinary post on Tuesday, 19 May 2015.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Wednesday, 20 May 2015.

ADJUSTMENTS TO THE SHARE OPTIONS

As a result of the Rights Issue, adjustments will be made to the exercise prices and the number of Shares falling to be allotted and issued in respect of the outstanding Share Options in accordance with the terms and conditions of the share option scheme adopted by the Shareholders at the special general meeting of the Company held on 18 September 2003 (the "Share Option Scheme"), Rule 17.03 of the Listing Rules and the supplementary

guidance dated 5 September 2005 issued by the Stock Exchange (the “**Share Option Adjustments**”). The Share Option Adjustments will come into effect on Tuesday, 19 May 2015, being the date on which the fully-paid Rights Shares are allotted and issued.

Pursuant to the terms and conditions of the Share Option Scheme, the exercise prices of the Share Options and the number of Shares otherwise to be allotted and issued upon exercise of all the subscription rights attaching to the outstanding Share Options will be adjusted following completion of the Rights Issue in the following manner:

Date of grant	Exercisable period	Immediately before completion of the Rights Issue	Exercise price per Share HK\$	Upon completion of the Rights Issue	Exercise price per Share HK\$
		Number of Shares which would otherwise fall to be issued upon exercise of the outstanding Share Options		Number of Shares which would otherwise fall to be issued upon exercise of the outstanding Share Options	
8/1/2009	8/1/2010 – 7/1/2019 [#]	466,881	1.2050	486,664	1.1560
12/5/2010	12/5/2011 – 11/5/2020 [#]	566,755	0.4321	590,770	0.4145

[#] *The Share Options granted under the Share Option Scheme were vested as follows:*

On 1st anniversary of the date of grant: 30% vest
On 2nd anniversary of the date of grant: further 30% vest
On 3rd anniversary of the date of grant: remaining 40% vest

The auditors of the Company have reviewed the Share Option Adjustments and confirmed in writing that they are in accordance with the provisions of the Share Option Scheme and the appendix of and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to adjustments to share option schemes.

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, 18 May 2015

As at the date of this announcement, the Board comprises Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun as the executive Directors, and Mr. Siu Man Ho, Simon, Mr. Leung Wai Ho, Mr. Cho Wing Mou and Mr. Li Ka Fai, David as the independent non-executive Directors.

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