



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)

24 April 2015

Dear Qualifying Shareholders,

INTRODUCTION

Reference is made to the prospectus dated 24 April 2015 (the "Prospectus") despatched to the shareholders of Wai Yuen Tong Medicine Holdings Limited (the "Company") in relation to the Rights Issue. Capitalised terms defined in the Prospectus have the same meanings when used herein unless the context otherwise requires. In accordance with the terms and subject to the conditions set out in the Prospectus, the Directors have provisionally allotted to you the Rights Shares on the basis of one (1) Rights Share for every two (2) Shares held and registered in your name(s) as at Thursday, 23 April 2015. Your holding of Shares as at Thursday, 23 April 2015 is set out in Box A and the number of Rights Shares provisionally allotted to you is set out in Box B.

No action has been taken to register or permit the offering of the Rights Shares or the distribution of the documents in connection with the Rights Issue in any jurisdiction other than Hong Kong. No person receiving a copy of the Prospectus or a PAL or an EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares unless in the relevant jurisdiction, such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person outside Hong Kong wishing to make on his/her/its behalf an application for the Rights Shares to satisfy himself/herself/its as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any government or other consents which may be required or observing any other formalities needed to be observed in such jurisdictions, and to pay taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept or treat as invalid any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

No provisional allotment of Rights Shares has been made to the Excluded Shareholders and no PAL nor EAF is being sent to them. The Company will send copies of the Prospectus to the Excluded Shareholders for their information purposes only and the Prospectus should not be copied or redistributed. Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be retained for the benefit of the Company. Any unsold entitlements of the Excluded Shareholders, and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of the nil-paid Rights Shares, will be made available for excess application on EAFs by the Qualifying Shareholders.

When issued, allotted and fully paid, the Rights Shares will rank *pari passu* in all respects among themselves and with the Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the fully-paid Rights Shares.

PROCEDURES FOR ACCEPTANCE

To take up your provisional allotment in full, you must lodge the whole of this PAL intact in accordance with the instructions printed herein with the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a remittance for the full amount payable on acceptance, as set out in Box C, so as to be received by no later than 4:00 p.m. on Monday, 11 May 2015. All remittances must be made by cheque(s) or cashier's order(s) in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Wai Yuen Tong Medicine Holdings Limited — Provisional Allotment Account" and crossed "ACCOUNT PAYEE ONLY". Such payment will constitute acceptance of the provisional allotment of the Rights Shares on the terms of this PAL and the Prospectus Documents and subject to the memorandum of association of the Company and the Bye-Laws. No receipt will be given for such remittances. All enquiries in connection with this PAL should be addressed to the Registrar at the above address.

It should be noted that unless this PAL, together with the appropriate remittance for the amount shown in Box C, has been received as described above by no later than 4:00 p.m. on Monday, 11 May 2015 whether by the original allottee or any person in whose favour the rights have been validly transferred, this provisional allotment and all rights and entitlements hereunder will be deemed to have been declined and will be cancelled. The Company is not obliged to treat but may at its absolute discretion treat a PAL as valid and binding on the person(s) by whom and on whose behalf is lodged even if such PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

APPLICATION FOR EXCESS RIGHTS SHARES

If you are a Qualifying Shareholder and wish to apply for excess Rights Shares in addition to those provisionally allotted to you, you should complete and sign the accompanying EAF and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, so as to be received by no later than 4:00 p.m. on Monday, 11 May 2015. All remittances must be made by cheque(s) or cashier's order(s) in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Wai Yuen Tong Medicine Holdings Limited — Excess Application Account" and crossed "ACCOUNT PAYEE ONLY".

TRANSFER

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you hereunder, you must complete and sign the form of transfer and nomination (Form B) and hand this PAL to the transferee(s) to or through whom you are transferring your rights. The transferee(s) must then complete and sign the registration application form (Form C) and lodge this PAL intact in accordance with the instructions printed herein together with a remittance for the full amount payable on acceptance as set out in Box C with the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, so as to be received by no later than 4:00 p.m. on Monday, 11 May 2015. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares and the acceptance by the transferee(s) of such rights.

SPLITTING

If you wish to accept only part of your provisional allotment or transfer part of your rights to subscribe for the Rights Shares provisionally allotted hereunder, or to transfer all or part of your rights to more than one person, this PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 30 April 2015 with the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, who will cancel this original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of this original PAL.

TERMINATION OF THE UNDERWRITING AGREEMENT

It should be noted that the Rights Shares will be dealt in their nil-paid form from 9:00 a.m. on Tuesday, 28 April 2015 to 4:00 p.m. on Wednesday, 6 May 2015, both dates inclusive. Shareholders should note that dealings in such Rights Shares in their nil-paid form and the Shares will take place while the conditions to which the Rights Issue are subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Rights Issue are subject are fulfilled, and dealings in the Rights Shares in their nil-paid form, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or Rights Shares in their nil-paid form, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

In particular, the Directors would like to draw your attention to the fact that if, prior to the Latest Time For Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not *jusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not *jusdem generis* with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive Business days, excluding any halt or suspension in connection with the clearance of the Joint Announcement, the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

The Underwriter shall also be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time For Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

If the Underwriter exercises the above termination rights, the Rights Issue will not proceed.

Full details of the termination rights of the Underwriter are set out in the Prospectus.

CHEQUES OR CASHIER'S ORDERS

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. If any cheque or cashier's order lodged with this PAL is not honoured upon first presentation, the provisional allotment and all rights and entitlements given pursuant to it will be deemed to have been declined and will be cancelled. Completion and return of this PAL together with a cheque or a cashier's order in payment for the Rights Shares provisionally allotted hereunder will constitute a warranty by the subscriber that the cheque or cashier's order will be honoured on first presentation.

SHARE CERTIFICATES

It is expected that certificates for the fully-paid Rights Shares will be despatched to you by the Registrar by ordinary post at your own risk on Tuesday, 19 May 2015. You will receive one share certificate for all the fully-paid Rights Shares allotted and issued to you.

EFFECT OF BAD WEATHER

If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong ("Bad Weather") at any time before 12:00 noon and no longer in force after 12:00 noon on Monday, 11 May 2015, the latest time for acceptance of and the time for payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day. If there is Bad Weather in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Monday, 11 May 2015, the latest time for acceptance of and the time for payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

GENERAL

Lodgment of this PAL with, where relevant, the form of transfer and nomination (Form B) purporting to have been signed by the person(s) in whose favour this PAL has been issued shall be conclusive evidence of the title of the party or parties lodging it to deal with the same and to receive split letters of allotment and/or certificates for the Rights Shares. This PAL and any acceptance of the offer contained herein shall be governed by, and construed in accordance with, the laws of Hong Kong.

Further copies of the Prospectus giving details of the Rights Issue are available from the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, during normal business hours.

PERSONAL DATA COLLECTION — PAL

By completing, signing and submitting the forms accompanying this PAL, you agree to disclose to the Company, the Registrar and/or their respective advisers personal data and any information which they require about you or the person(s) for whose benefit you have made the acceptance of the provisional allotment of the Rights Shares. The Personal Data (Privacy) Ordinance provides the holders of securities with rights to ascertain whether the Company or the Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Personal Data (Privacy) Ordinance, the Company and the Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or for information regarding policies and practices and the kinds of data held should be addressed to the Company, at its principal place of business at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong or as notified from time to time in accordance with applicable law, for the attention of the Company Secretary, or (as the case may be) to the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for the attention of Privacy Compliance Officer.

Yours faithfully,
For and on behalf of the Board of
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司)
Chan Chun Hong, Thomas
Managing Director

* For identification purpose only

IN THE EVENT OF A TRANSFER OF RIGHT(S) TO SUBSCRIBE FOR THE RIGHTS SHARE(S), HONG KONG AD VALOREM STAMP DUTY IS PAYABLE ON EACH SALE AND EACH PURCHASE. A GIFT OR A TRANSFER OF BENEFICIAL INTEREST OTHER THAN BY WAY OF SALE IS ALSO LIABLE TO HONG KONG AD VALOREM STAMP DUTY. EVIDENCE OF PAYMENT OF HONG KONG AD VALOREM STAMP DUTY WILL BE REQUIRED BEFORE REGISTRATION OF ANY TRANSFER OF THE ENTITLEMENT(S) TO THE RIGHTS SHARE(S) REPRESENTED BY THIS PROVISIONAL ALLOTMENT LETTER.
在轉讓認購供股股份之權利時，每項買賣均須繳納香港從價印花稅。餽贈或轉讓(並非以出售方式)實益擁有之權益亦須繳納香港從價印花稅。在登記轉讓本暫定配額通知書所列任何供股股份之權利之前，須出示已繳納香港從價印花稅之證明。

FORM OF TRANSFER AND NOMINATION
轉讓及提名表格

Form B
表格乙

(To be completed and signed only by Qualifying Shareholder(s) who wish(es) to transfer all of his/her/its/their right(s) to subscribe for the Rights Shares comprised herein)
(僅供擬將其/彼等於本表格所列認購供股股份之權利全數轉讓之合資格股東填寫及簽署)

To: The Directors
WAI YUEN TONG MEDICINE HOLDINGS LIMITED

致：位元堂藥業控股有限公司*
列位董事 台照

Dear Sirs and Madams,
I/We hereby transfer all of my/our rights to subscribe for the Rights Shares comprised in this Provisional Allotment Letter to the person(s) accepting the same and signing the registration application form (Form C) below.

敬啟者：
本人/吾等茲將本暫定配額通知書所列本人/吾等可認購供股股份之權利全數轉讓予接受此權利並簽署以下登記申請表格(表格丙)之人士。

1. _____ 2. _____ 3. _____ 4. _____
Signature(s) of Shareholders (all joint Shareholders must sign) 股東簽署(所有聯名股東均須簽署)

Date 日期：二零一五年 _____ 2015

Note: Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the Rights Shares.
附註：轉讓 閣下可認購有關供股股份之權利須繳納香港印花稅。

REGISTRATION APPLICATION FORM
登記申請表格

Form C
表格丙

(To be completed and signed only by the person(s) to whom the rights to subscribe for the Rights Shares have been transferred)
(僅供承讓認購供股股份權利之人士填寫及簽署)

To: The Directors
WAI YUEN TONG MEDICINE HOLDINGS LIMITED

致：位元堂藥業控股有限公司*
列位董事 台照

Dear Sirs and Madams,
I/We request you to register the number of the Rights Shares mentioned in Box B of Form A in my/our name(s) and I/we agree to accept the same on the terms embodied in this Provisional Allotment Letter and the Prospectus Documents and subject to the memorandum of association of the Company and the Bye-Laws.

敬啟者：
本人/吾等謹請 閣下將表格甲內乙欄所列之供股股份數目以本人/吾等名義登記，本人/吾等同意按照本暫定配額通知書及章程文件所載之條款，並在 貴公司之組織章程大綱及公司細則限制下接納該等股份。

Existing Shareholder(s)
Please mark "X" in this box
現有股東請於欄內填上「X」符號

To be completed in block letters in **ENGLISH**. Joint applicants should give one address only.
請用英文大楷填寫。聯名申請人只須填報一個地址。

Name in English 英文姓名	Family name or Company name 姓氏或公司名稱	Other names 名字	Name in Chinese 中文姓名
Name continuation and/ or names of joint applicants (if required) 續姓名及/或聯名申請人 姓名(如有需要)			
Address in English (joint applicants should give one address only) 英文地址(聯名申請人 只須填報一個地址)			
Occupation 職業		Tel. no. 電話號碼	
Dividend instructions 派息指示			
Name & address of bank 銀行名稱及地址			Bank account no. 銀行賬戶號碼
	Account type 賬戶類別	For office use only 公司專用	

1. _____ 2. _____ 3. _____ 4. _____
Signature(s) of applicant(s) (all joint applicants must sign) 申請人簽署(所有聯名申請人均須簽署)

Date 日期：二零一五年 _____ 2015

Note: Hong Kong stamp duty is payable in connection with the acceptance of the transfer of the rights to subscribe for the Rights Shares.
附註：接納轉讓 閣下可認購有關供股股份之權利須繳納香港印花稅。

Names of Chinese applicants must be given both in English and in Chinese characters
華裔申請人須填寫中英文姓名

* For identification purpose only
* 僅供識別