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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 ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE AT HK\$0.43 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 Wednesday, 21 September 2016, being the Latest Time for Acceptance of, and payment for, the Rights Shares and the application and payment for excess Rights Shares: (i) 189 valid acceptances in respect of a total of 437,254,942 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 46.08% of the total number of the Rights Shares available under the Rights Issue; and (ii) 120 valid applications in respect of a total of 466,725,488 excess Rights Shares have been received, representing approximately 49.19% of the total number of the Rights Shares available under the Rights Issue. In aggregate, 309 valid acceptances and applications in respect of a total of 903,980,430 Rights Shares, representing approximately 95.27% of the total number of the Rights Shares available under the Rights Issue, have been received.

* *For identification purpose only*

Based on the above results, the Rights Issue was under-subscribed by 44,876,736 Rights Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter had performed its underwriting obligations and had procured subscribers or sub-underwriters to subscribe for 44,876,736 untaken Rights Shares pursuant to the Underwriting Agreement. None of the subscribers or sub-underwriters procured by the Underwriter has become a substantial shareholder of the Company upon taking up the untaken Rights Shares.

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 Tuesday, 27 September 2016.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board has resolved to accept all 120 valid applications for a total of 466,725,488 excess Rights Shares and to allot and issue such number of the Rights Shares to the relevant applicants in full. Shareholders applying for such excess Rights Shares will be fully allotted with the excess Rights Shares they have applied for.

DESPATCH OF 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 share certificates for the fully-paid Rights Shares will be despatched to those entitled at their own risk by ordinary post on Thursday, 29 September 2016.

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 Friday, 30 September 2016.

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 Thursday, 29 September 2016.

Reference is made to the prospectus (the “**Prospectus**”) of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*) (the “**Company**”) dated 6 September 2016 in relation to the Rights Issue. 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 Wednesday, 21 September 2016, being the Latest Time for Acceptance of, and payment for, the Rights Shares and the application and payment for excess Rights Shares: (i) 189 valid acceptances in respect of a total of 437,254,942 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 46.08% of the total number of the Rights Shares available under the Rights Issue; and (ii) 120 valid applications in respect of a total of 466,725,488 excess Rights Shares have been received, representing approximately 49.19% of the total number of the Rights Shares available under the Rights Issue. In aggregate, 309 valid acceptances and applications in respect of a total of 903,980,430 Rights Shares, representing approximately 95.27% 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, or procured its associates to subscribe, for 209,492,205 Rights Shares; and (ii) applied, or procured its associates to apply, by way of excess application, for 370,000,000 Rights Shares.

Based on the above results, the Rights Issue was under-subscribed by 44,876,736 Rights Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter had performed its underwriting obligations and had procured subscribers or sub-underwriters to subscribe for 44,876,736 untaken Rights Shares pursuant to the Underwriting Agreement. None of the subscribers or sub-underwriters procured by the Underwriter has become a substantial shareholder of the Company upon taking up the untaken Rights Shares.

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 Tuesday, 27 September 2016.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board has resolved to accept all 120 valid applications for a total of 466,725,488 excess Rights Shares and to allot and issue such number of the Rights Shares to the relevant applicants in full. Shareholders applying for such excess Rights Shares will be fully allotted with the excess Rights Shares they have applied for.

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CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company as at the date of this announcement, the shareholding structure 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	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
WOG Group	69,830,735	22.08	649,322,940	51.32
The Underwriter Subscribers or sub-underwriters procured by the Underwriter (<i>Note</i>)	1 0	0.00 0.00	1 44,876,736	0.00 3.55
Other public Shareholders	<u>246,454,986</u>	<u>77.92</u>	<u>570,943,211</u>	<u>45.13</u>
Total	<u>316,285,722</u>	<u>100.00</u>	<u>1,265,142,888</u>	<u>100.00</u>

Note: Kingston has agreed under the Underwriting Agreement to use its best endeavours to ensure that all the subscribers or sub-underwriters it has procured are Independent Third Parties and do not hold more than 10.0% of the equity interest in the Company upon completion of the Rights Issue.

DESPATCH OF 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 share certificates for the fully-paid Rights Shares will be despatched to those entitled at their own risk by ordinary post on Thursday, 29 September 2016.

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 Friday, 30 September 2016.

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 Thursday, 29 September 2016, 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		Upon completion of the Rights Issue	
		Number of Shares which would otherwise fall to be issued upon exercise of the outstanding Share Options	Exercise price per Share HK\$	Number of Shares which would otherwise fall to be issued upon exercise of the outstanding Share Options	Exercise price per Share HK\$
8/1/2009	8/1/2010 – 7/1/2019 [#]	20,256	23.12	22,632	20.6927
12/5/2010	12/5/2011 – 11/5/2020 [#]	25,461	8.29	28,448	7.4197

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

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

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, 28 September 2016

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.

The Board jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

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