

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司), you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, the licensed securities dealer, the registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with the written consent referred to in the paragraph headed "Expert and Consent" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong takes no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed "WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR RIGHTS SHARES IN NIL-PAID FORM" in the "Letter from the Board" in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

The securities described in this Prospectus have not been, and will not be, registered under the United States of America ("United States") Securities Act of 1933, as amended, (the "U.S. Securities Act") or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws of the United States. The Company does not intend to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be prohibited or restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such prohibitions or restrictions. Neither the Prospectus Documents nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful, or distributed to any United States persons.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares (in their nil-paid or fully-paid forms) or to take up any entitlements to the Rights Shares (in their nil-paid or fully-paid forms) in any jurisdiction in which such an offer or solicitation is unlawful. Neither this Prospectus nor anything in this Prospectus forms the basis of any contract or commitment whatsoever.



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)

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

FINANCIAL ADVISER TO THE COMPANY



KINGSTON CORPORATE FINANCE LTD.

UNDERWRITER OF THE RIGHTS ISSUE



KINGSTON SECURITIES LTD.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 11 May 2015. The procedures for subscription of the Rights Shares are set out on pages 15 to 17 of this Prospectus.

The Rights Issue is conditional upon the fulfillment of the conditions as set out in the section headed "Conditions of the Rights Issue" of the "Letter from the Board" in this Prospectus.

The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 8 to 9 of this Prospectus.

The Shares have been dealt in on an ex-rights basis from 9:00 a.m. on Friday, 17 April 2015. Dealings in the Rights Shares in their nil-paid form will take place from 9:00 a.m. on Tuesday, 28 April 2015 to 4:00 p.m. on Wednesday, 6 May 2015. If the conditions of the Rights Issue are not fulfilled on or before 4:00 p.m. on Friday, 15 May 2015 (or such other time and/or date specified therein) or such other time and/or date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall be terminated and the Rights Issue will not proceed. Any persons contemplating buying or selling the Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between 9:00 a.m. on Tuesday, 28 April 2015 to 4:00 p.m. on Wednesday, 6 May 2015 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. The Rights Shares in their nil-paid and fully-paid forms will be traded in board lots of 20,000 Shares. Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

* For identification purpose only

24 April 2015

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DEFINITIONS

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

“Application Forms”	collectively, the PAL(s) and the EAF(s)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for used by Qualifying Shareholders who wish to apply for excess Rights Shares
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose registered addresses in the Company’s register of members as at the Record Date are in places where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

* *For identification purpose only*

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a person who: <ul style="list-style-type: none">(i) is not (and will not become as a result of the consummation of the Rights Issue) a connected person of the Company and it will not be deemed a connected person of the Company pursuant to Rules 14A.19 to 14A.21 of the Listing Rules;(ii) is not financing the subscription of the Rights Shares directly or indirectly by a connected person of the Company;(iii) is not accustomed to taking instructions from a connected person of the Company in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in its name or otherwise held by it; and(iv) would not result in its aggregate holding (direct and indirect) in the total issued share capital of the Company being 10.0% or more of the Company’s entire issued share capital at any time
“Joint Announcement”	the joint announcement dated 26 March 2015 issued by the Company and WOG in relation to, among others, the Rights Issue and the change in board lot size
“Last Trading Day”	Wednesday, 25 March 2015, being the last trading day for the Shares on the Stock Exchange before the release of the Joint Announcement
“Latest Practicable Date”	21 April 2015, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information in this Prospectus
“Latest Time For Acceptance”	4:00 p.m. on Monday, 11 May 2015, or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time For Termination”	4:00 p.m. on the fourth business day after the Latest Time For Acceptance or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time to terminate the Underwriting Agreement

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of the Prospectus, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Prospectus”	this prospectus
“Prospectus Documents”	the Prospectus and the Application Forms
“Prospectus Posting Date”	Friday, 24 April 2015, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 23 April 2015, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, which is Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rich Time”	Rich Time Strategy Limited, an indirect wholly-owned subsidiary of WOG and a company incorporated in the British Virgin Islands which is principally engaged in investment holding
“Rights Issue”	the issue of the Rights Shares by way of rights issue to the Qualifying Shareholders for subscription on the terms to be set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	2,108,571,484 Shares to be offered to the Qualifying Shareholders for subscription on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date pursuant to the Rights Issue

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option(s)”	the options issued or to be issued under the share option scheme adopted by the Shareholders at the special general meeting of the Company held on 18 September 2003
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time For Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being of HK\$0.108
“subsidiaries”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Underwriter” or “Kingston”	Kingston Securities Limited, a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out business in Type 1 regulated activity (dealing in securities) under the SFO
“Underwriting Agreement”	the underwriting agreement dated 25 March 2015 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	all the Rights Shares in excess of the aggregate of: (i) 432,271,017 Rights Shares that will be provisionally allotted to and subscribed for by Rich Time (or its associates) pursuant to the WOG Irrevocable Undertaking, and (ii) 530,000,000 Rights Shares for which Rich Time (or its associates) will subscribe by way of excess application pursuant to the WOG Irrevocable Undertaking, which are fully underwritten by the Underwriter pursuant to the terms and subject to the conditions of the Underwriting Agreement

DEFINITIONS

“Untaken Shares”	all those Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on the applications which are honoured on first, or at the option of the Company, subsequent presentation) have not been lodged for acceptance by the Qualifying Shareholders, or received, as the case may be, on or before the Latest Time For Acceptance
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors
“WOG Director(s)”	the director(s) of WOG
“WOG Group”	WOG and its subsidiaries
“WOG Irrevocable Undertaking”	an irrevocable undertaking dated 25 March 2015 granted by Rich Time in favour of the Company as described in the section headed “The WOG Irrevocable Undertaking” in this Prospectus
“WOG Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of WOG
“%”	per cent.

* *For identification purpose only*

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only:

Event	Timeline
First day of dealings in nil-paid Rights Shares	9:00 a.m. on 28 April 2015, Tuesday
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on 30 April 2015, Thursday
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on 6 May 2015, Wednesday
Latest time for acceptance of, and payment for, the Rights Shares and the applications for excess Rights Shares	4:00 p.m. on 11 May 2015, Monday
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on 15 May 2015, Friday
Announcement of results of the Rights Issue	18 May 2015, Monday
Designated broker ceases to stand in the market to provide matching service for the sale and purchase of odd lots	4:00 p.m. on 18 May 2015, Monday
Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before	19 May 2015, Tuesday
Certificates for fully paid Rights Shares to be despatched on or before	19 May 2015, Tuesday
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on 20 May 2015, Wednesday
Last day of free exchange of existing certificates for the new certificates	20 May 2015, Wednesday

All references to times and dates in this Prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in this Prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND THE TIME OF PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time For Acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning signal is:
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time For Acceptance. Instead the latest time for acceptance of, and 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; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time For Acceptance. Instead the latest time for acceptance of, and 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 in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time For Acceptance and application and payment for excess Rights Shares does not take place, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

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 of the same kind or nature 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 of 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 of the same kind or nature with any of the foregoing; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 may by notice in writing to the Company, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

The Underwriter may 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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Tang Ching Ho, *JP (Chairman)*

Mr. Chan Chun Hong, Thomas
(Managing Director)

Ms. Tang Mui Fun

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Leung Wai Ho, *MH*

Mr. Siu Man Ho, Simon

Mr. Cho Wing Mou

Mr. Li Ka Fai, David

Principal place of business:

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

24 April 2015

*To the Qualifying Shareholders and, for information purposes only,
to the holder(s) of the Share Option(s) and Excluded Shareholders*

Dear Sir or Madam,

**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**

INTRODUCTION

Reference is made to the Joint Announcement.

On 26 March 2015, the Board announced that the Company proposed to raise gross proceeds of not less than approximately HK\$227.73 million but not more than HK\$227.78 million, before expenses, by way of the Rights Issue of not less than 2,108,571,484 Rights Shares and not more than 2,109,100,335 Rights Shares, respectively, to the Qualifying Shareholders at the Subscription Price of HK\$0.108 per Rights Share, on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date. The Rights Issue is not available to the Excluded Shareholders.

* *For identification purpose only*

LETTER FROM THE BOARD

In addition to the Rights Issue, the Company also announced to effect a change in the board lot size for trading on the Stock Exchange, from 10,000 Shares to 20,000 Shares which took effect on Tuesday, 21 April 2015.

The purpose of this Prospectus is to provide you with further information in relation to the Rights Issue, including procedures for the acceptance of, and payment for, the Rights Shares and certain financial information and other information in respect of the Company.

THE RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.108 per Rights Share payable in full on acceptance
Net price to the Company per Rights Share	:	Approximately HK\$0.1046
Number of Shares in issue as at the Latest Practicable Date	:	4,217,142,969 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	2,108,571,484 Shares
Total number of issued Shares upon completion of the Rights Issue	:	6,325,714,453 Shares

The 2,108,571,484 Rights Shares to be issued pursuant to the Rights Issue represents approximately 50.00% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 33.33% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

Subscription Price

The Subscription Price is HK\$0.108 per Rights Share, payable in full on acceptance. The Subscription Price represents:

- (i) a discount of approximately 31.65% to the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 27.52% to the average closing price of approximately HK\$0.149 per Share for the five consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (iii) a discount of approximately 23.40% to the theoretical ex-entitlement price of approximately HK\$0.141 per Share after the Rights Issue, based on the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 77.50% to the unaudited total equity attributable to the owners of the Company per Share of approximately HK\$0.480 as at 30 September 2014 after taking into account of the net proceeds of approximately HK\$90.5 million from the placement of Shares completed on 4 December 2014; and
- (v) a discount of approximately 11.48% to the closing price of HK\$0.122 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price and the subscription ratio were determined, among others, as a result of arm's length negotiations between the Company and the Underwriter, with reference to the recent market price of the Shares, the capital needs of the Group, the financial position of the Group and the prevailing market conditions. The Board is of the view that the structure and terms of the Rights Issue, including its Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not being an Excluded Shareholder on the Record Date.

Rights of the Excluded Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company as at the Latest Practicable Date, there were 128 Overseas Shareholders holding in aggregate of approximately 3,659 Shares, whose addresses were located in Australia, Canada, Ireland, Isle of Man, Macau, Netherlands Antilles, New Zealand, the PRC, the United Kingdom and the United States, respectively.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant overseas jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the offer of the Rights Shares to such Overseas Shareholders. The Company has obtained advice from legal advisers in Australia, Canada, Ireland, the Isle of Man, Macau, Netherlands Antilles, the PRC, the United Kingdom and the United States. As at the Latest Practicable Date, as there is only one Shareholder with a registered address in New Zealand who holds one Share, that Shareholder will not have a sufficient number of Shares to be entitled to any Rights Shares under the structure of the Rights Issue, and will therefore be an Excluded Shareholder.

LETTER FROM THE BOARD

As at the Latest Practicable Date:

- (a) there was one Overseas Shareholder with a registered address in the PRC who held more than one Share. Based on the advice provided by the Company's PRC legal advisers, the PRC laws impose no restrictions on extending the Rights Issue to the Shareholder located in the PRC, and the Company is not required to obtain any approvals for despatch of the Prospectus Documents to this Shareholder. Accordingly, the Directors have decided to extend the Rights Issue to this one Shareholder in the PRC, who will accordingly be a Qualifying Shareholder; and
- (b) there were four Overseas Shareholders with a registered address in Macau, three of whom held more than one Share. Based on the advice provided by the Company's legal advisers in Macau, the laws of Macau impose no restrictions on extending the Rights Issue to Shareholders located in Macau, and the Company is not required to obtain any approvals for despatch of the Prospectus Documents to these Shareholders. Accordingly, the Directors have decided to extend the Rights Issue to the three Shareholders in Macau holding more than one Share, each of whom will accordingly be a Qualifying Shareholder. The Rights Issue will not be extended to the one Shareholder in Macau holding one Share, as that Shareholder will not have a sufficient number of Shares to be entitled to any Rights Shares under the structure of the Rights Issue, and accordingly will be an Excluded Shareholder.

Having made reasonable enquiries under the laws of Australia, Canada, Ireland, Isle of Man, Netherlands Antilles, the United Kingdom and the United States, the Directors are of the view that, as at the Latest Practicable Date, the extension of the Rights Issue to Overseas Shareholders in these jurisdictions would or might, in the absence of compliance with the registration requirements or other special formalities under the relevant legislation or regulations of these jurisdictions, be unlawful or impracticable, and compliance with the registration or other special formalities in these jurisdictions could be both disproportionately costly and time-consuming, particularly in light of the fact that the Overseas Shareholders in these jurisdictions hold a very small or nominal amount of Shares. Accordingly, in view of the likely expense and time involved if compliance with the laws of Australia, Canada, Ireland, Isle of Man, Netherlands Antilles, the United Kingdom and the United States were to be observed and the insignificant shareholdings of the Overseas Shareholders located in these jurisdictions, the Directors believe that the costs and burden of compliance with such overseas laws would outweigh the benefits which the Company and its Shareholders as a whole would stand to receive by having these Overseas Shareholders included in the Rights Issue. Therefore, the Directors have determined that it would not be necessary or expedient to extend the Rights Issue to the Overseas Shareholders located in Australia, Canada, Ireland, Isle of Man, Netherlands Antilles, the United Kingdom and the United States and accordingly, such Overseas Shareholders will be Excluded Shareholders.

Receipt of a copy of any Prospectus Documents does not and will not constitute an offer to the Excluded Shareholders or any other persons in any territories in which it would be unlawful to make an offer, and in such circumstances a Prospectus is or will be sent for information only and should not be copied or redistributed.

LETTER FROM THE BOARD

Notwithstanding any other provision in the Prospectus Documents, the Company reserves the right to permit any Shareholder or investor whose registered address is in, or who is otherwise residing in, a jurisdiction other than Hong Kong to take up his/her/its Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of any Prospectus Document or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Shares to any person in, into or from, any jurisdiction outside Hong Kong, unless an offer of Rights Shares and nil-paid Rights Shares into such jurisdiction could lawfully be made without compliance with any registration or other legal or regulatory requirements or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirements will not, in the Board's judgment, be unduly burdensome. If a PAL or an EAF or the crediting of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agents, custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company, in its absolute discretion, determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards a Prospectus Document in, into or from, any jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

It is the responsibility of any person (including, without limitation, nominees, agents and trustees) receiving a copy of any Prospectus Document outside (or on behalf of an investor who is outside) Hong Kong and wishing to take up Rights Shares under the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws of the relevant territory including the obtaining of any governmental or other consents which may be required for observing any other formalities needed to be observed in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. **Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties. If you are in doubt as to your position, you should consult your own professional advisers.**

The Company reserves the right to treat as invalid any acceptances of or applications for, or purported acceptances of or applications for, the Rights Shares where it believes that such acceptance or application, or purported acceptance or application, would violate the applicable securities or other laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or EAF in respect of such matters.

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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 Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form 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 entitlement of the Excluded Shareholders to the Rights Shares, 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 applications by the Qualifying Shareholders.

This Prospectus (without the PAL and the EAF) is sent to the Excluded Shareholders for information purposes only.

Procedures for acceptance and payment and/or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to subscribe for the number of Rights Shares shown therein. **If the Qualifying Shareholders wish to exercise their rights to subscribe for all the Rights Shares specified in the PALs, the Qualifying Shareholders must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Monday, 11 May 2015. All remittances must be made by cheques or cashier's orders 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".**

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar 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, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled, and such Rights Shares will be available for excess application by the Qualifying Shareholders under the EAF.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer all or part of their rights to more than one person, the entire original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 30 April 2015 to the Registrar, who will cancel the original PAL and issue new PALs in the denomination required.

The PAL contains further information regarding the procedures to be followed for Qualifying Shareholders who wish to accept the whole or part of their provisional allotment. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of a PAL with a cheque or a cashier's order will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the

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accompanying cheque or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements given pursuant to which will be deemed to have been declined and will be cancelled.

No receipt will be issued for any monies received in respect of the provisional allotments. If the Underwriting Agreement is terminated before the Latest Time for Termination, the Rights Issue will not proceed and the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post to their registered addresses at their own risk on or before Tuesday, 19 May 2015.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders (or the transferees to whom any Qualifying Shareholders have transferred their provisional entitlements). Application may be made by completing the EAF(s) and lodging the same with a separate remittance for the excess Rights Shares no later than the Latest Time For Acceptance. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Rights Shares applied for by the Qualifying Shareholders. However, no preference will be given to topping-up odd lots to whole board lots.

Beneficial owners of the Shares whose shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the beneficial owners of Shares whose shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

Application for excess Rights Shares may be made by lodging the EAF in accordance with the instructions printed thereon, together with a remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Monday, 11 May 2015. All remittances must be made by cheques or cashier's orders 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".

If no excess Rights Shares are allotted to the Qualifying Shareholders who have applied for excess Rights Shares, the amount tendered on application will be returned to such Qualifying Shareholders without interest by means of a cheque despatched by ordinary post to their registered addresses at their own risk on or before Tuesday, 19 May 2015. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money will also be returned to such Qualifying Shareholders without interest by means of a cheque despatched by ordinary post to their registered addresses at their own risk on or before Tuesday, 19 May 2015. All cheques and cashier's orders accompanying completed EAFs will be presented for payment upon receipt and all interest earned on such

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monies (if any) will be retained for the benefit of the Company. Completion and return of an EAF with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. If the cheque or the cashier's order is dishonoured on first presentation, the application for excess Rights Shares is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable.

If the Underwriting Agreement is terminated before the Latest Time For Termination, the Rights Issue will not proceed and the monies received in respect of applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post to their registered addresses at their own risk on or before Tuesday, 19 May 2015.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully-paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Certificates of the Rights Shares

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the Rights Shares are expected to be sent on or before Tuesday, 19 May 2015, to those entitled thereto by ordinary post at their own risks. Share certificates will be issued for the fully-paid Rights Shares.

Refund cheques for the Rights Issue

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 19 May 2015, by ordinary post to the applicants at their own risk.

Fractional entitlements to the Rights Shares

Fractional Shares to which an individual Shareholder is entitled to will not be issued by the Company to such Shareholders. Any such fractional entitlements to the Shares will be aggregated, sold and retained for the benefit of the Company.

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Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Arrangements for trading of odd lots and matching services

In order to facilitate the trading of odd lots (if any) of the Shares arising from the change in board lot size and Rights Issue, the Company has appointed Kingston as an agent to provide matching services for the sale and purchase of odd lots of Shares at the relevant market price per Share and the matching period commences from 9:00 a.m. on Tuesday, 21 April 2015, to 4:00 p.m. on Monday, 18 May 2015 (both dates inclusive). Shareholders who wish to take advantage of this facility should contact Ms. Rosita Kiu of Kingston at (852) 2298 6215 during office hours. Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and permission to deal in, Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Rights Shares (in both their nil-paid and fully-paid forms) to be admitted into CCASS.

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Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 20,000 Shares each) which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Principal terms of the Underwriting Agreement

- Date : 25 March 2015
- Underwriter : Kingston Securities Limited
- Total number of Underwritten Shares : Not less than 1,146,300,467 (if no Share Options are exercised before the Record Date) and not more than 1,146,829,318 Rights Shares (if all Share Options are exercised before the Record Date), being the total number of Rights Shares under the Rights Issue minus the maximum aggregate number of Rights Shares to be subscribed and paid for by Rich Time pursuant to the WOG Irrevocable Undertaking and on the basis that no further Share will be issued or repurchased on or before the Record Date.
- Commission : 2.5% of the aggregate Subscription Price in respect of the respective maximum number of Underwritten Shares agreed to be underwritten by the Underwriter. The commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the scale of the Rights Issue and the market rate, and the Board considers that the underwriting commission rate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Underwriting Agreement, in the event that the Underwriter is called upon to subscribe for or procure subscription for the Untaken Shares, the Underwriter shall use its best endeavours to ensure that (i) such subscribers and/or sub-underwriters are Independent Third Parties, and (ii) such subscribers and/or sub-underwriters will not hold more than 10.0% of the equity interest in the Company upon completion of the Rights Issue.

To the best of the Directors' knowledge, information and belief, the Underwriter and its associates are Independent Third Parties.

Underwriting activities are within the ordinary course of Kingston's business activities.

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Conditions of the Rights Issue

The Rights Issue is subject to the following conditions:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) in accordance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purposes only, on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Shares and the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (iv) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time For Termination;
- (v) the compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement;
- (vi) the compliance with and performance of all undertakings and obligations of Rich Time, or any of its respective associates, under the WOG Irrevocable Undertaking;
- (vii) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares; and
- (viii) there being no Specified Event occurring prior to the Latest Time For Termination.

The conditions are incapable of being waived. If any of the above conditions is not satisfied in whole by the Latest Time for Termination (or such other time and/or date specified therein) or such other time and/or date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall be terminated accordingly and the Rights Issue will not proceed. In such circumstance, no party will have any claim against the other parties for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

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Termination of the Underwriting Agreement

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 of the same kind or nature 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 of 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 of the same kind or nature with any of the foregoing; or

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- (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 may by notice in writing to the Company, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

The Underwriter may 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.

THE WOG IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, WOG, through its wholly-owned subsidiary, Rich Time, is interested in 864,542,034 Shares, representing approximately 20.50% of the issued share capital of the Company.

On 25 March 2015, Rich Time has granted the WOG Irrevocable Undertaking in favour of the Company under which it agreed, among other things:

- (i) to subscribe, or procure its associates to subscribe, for 432,271,017 Rights Shares which comprise the full acceptance of its provisional entitlements;
- (ii) that the Shares or the shares (as the case may be) comprising its current shareholding in the Company will remain beneficially owned by it on the Record Date;
- (iii) to procure that its acceptance of the 432,271,017 Rights Shares which will be provisionally allotted to it in nil-paid form under the Rights Issue be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time For Acceptance or otherwise in accordance with the instructions printed on the PAL(s);
- (iv) to apply, or procure its associates to apply, by way of excess application, for 530,000,000 Rights Shares; and

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- (v) to procure that the EAF(s) for 530,000,000 Rights Shares be lodged with the Registrar, with payment in full therefor, by no later than 4:00 p.m. at the Latest Time For Acceptance or otherwise in accordance with the instructions printed on the EAF(s).

Completion of the transactions under the WOG Irrevocable Undertaking is conditional upon the conditions for the Rights Issue (other than condition (vi) referred to in the section headed “Conditions of the Rights Issue” in this Prospectus) having been fulfilled.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional upon the fulfillment of the conditions set out in the section headed “Conditions of the Rights Issue” in this Prospectus. In particular, the Rights Issue is conditional, among others, upon:

- (i) the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares in both nil-paid and fully-paid forms by no later than the first day of their dealings, which is expected to be 9:00 a.m. on Tuesday, 28 April 2015 and 9:00 a.m. on Wednesday, 20 May 2015, respectively; and**
- (ii) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms (as set out in the section headed “Principal terms of the Underwriting Agreement” in this Prospectus).**

If the conditions of the Rights Issue are not fulfilled or if the Underwriter exercise their right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

Any persons contemplating buying or selling Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between 9:00 a.m. on Tuesday, 28 April 2015 and 4:00 p.m. on Wednesday, 6 May 2015 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. The Rights Shares in their nil-paid and fully-paid forms will be traded in board lots of 20,000 Shares.

Any Shareholders and potential investors contemplating dealing in Shares and/or nil-paid Rights Shares are recommended to consult their own professional advisers.

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CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming no change in the shareholding structure of the Company between the Latest Practicable Date and completion of the Rights Issue.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the Qualifying Shareholders		Immediately after completion of the Rights Issue, assuming all the Rights Shares are subscribed by the WOG Group pursuant to the WOG Irrevocable Undertaking and the Underwriter pursuant to the Underwriting Agreement (Notes 1 and 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
WOG Group	864,542,034	20.50	1,296,813,051	20.50	1,826,813,051	28.88
<i>Other Shareholders</i>						
The Underwriter (including subscribers procured by it) (Note 3)	1	0.00	1	0.00	1,146,300,468	18.12
Other public Shareholders	<u>3,352,600,934</u>	<u>79.50</u>	<u>5,028,901,401</u>	<u>79.50</u>	<u>3,352,600,934</u>	<u>53.00</u>
Total	<u>4,217,142,969</u>	<u>100.00</u>	<u>6,325,714,453</u>	<u>100.00</u>	<u>6,325,714,453</u>	<u>100.00</u>

Notes:

1. Assuming all 530,000,000 Rights Shares applied for by Rich Time by way of excess application pursuant to the WOG Irrevocable Undertaking are allocated to it.
2. This scenario is for illustration purpose only and is unlikely to occur since it assumes that no Qualifying Shareholder other than Rich Time would take up their provisional entitlements under the Rights Issue.
3. The Underwriter will use its best endeavours to ensure that such subscribers and/or sub-underwriters are: (i) Independent Third Parties, and (ii) will not hold 10.0% or more of the equity interest in the Company upon completion of the Rights Issue. As at the Latest Practicable Date, the Underwriter has procured six sub-underwriters who are Independent Third Parties for an aggregate of 569,000,000 Underwritten Shares and none of them will hold more than 10.0% of the equity interest in the Company upon completion of the Rights Issue. Please see below on page 25 for further details of these six sub-underwriters.

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As at the Latest Practicable Date, the Underwriter has procured six sub-underwriters who are Independent Third Parties for an aggregate of 569,000,000 Underwritten Shares and none of them will hold 10.0% or more of equity interest in the Company upon completion of the Rights Issue. All of the six sub-underwriters procured by the Underwriter are individuals, of which: (a) five have each agreed to take up a maximum of 100,000,000 Underwritten Shares; and (b) one has agreed to take up a maximum of 69,000,000 Underwritten Shares, respectively. Each of these sub-underwriters will be allocated Underwritten Shares (if any) on a pro-rata basis. To the extent that the Underwriter subsequently enters into any further sub-underwriting arrangements, the Underwriter shall use its best endeavours to ensure that each subscriber and/or sub-underwriter is an Independent Third Party and will not hold more than 10.0% of the equity interest and voting rights in the Company upon completion of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE

The Group is principally engaged in: (i) the manufacturing, processing and retailing of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of “Wai Yuen Tong” and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong, (ii) the processing and retailing of western pharmaceutical products, health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”, and (iii) property investment.

The Board is optimistic about the future growth and development of the Company, in light of increasing public awareness and concern about personal health and the rising trend of people consuming health and nutrition supplements. The Group’s establishment of integrated Chinese medical centres to provide Chinese medicine consultation services has proven successful, and the Group will continue to explore ways to further expand its Chinese medicine consultation services. The Group intends to further expand its product range to broaden its customer base, whilst still focusing on continuous product development, added promotional and marketing efforts and broadening the sales channels of its existing well-known “Madame Pearl’s”, “Pearl’s” and “Pearl’s Mosquitout” products.

In view of the optimistic future prospects of the business of the Group, the Rights Issue will enable the Company to strengthen its equity base and liquidity without incurring interest costs, thereby bolstering its ability to capitalise upon greater business opportunities associated with its principal business engagements. The Rights Issue also provides all Shareholders an equal opportunity to subscribe for their pro-rata provisional entitlement of the Rights Shares, and participate as fully as they wish in the growth opportunity of the Company by way of applying for excess Rights Shares. It allows the Qualifying Shareholders who decide not to take up their entitlements under the Rights Issue to sell the nil-paid Rights Shares in the market for economic benefit. By comparison, had the Company raised equity of similar size in the form of a placing, then such an exercise would not have allowed all Shareholders to participate in the capital exercise and those excluded Shareholders would be diluted without being given an opportunity to maintain their percentage interests.

Taking into account the above, the Board is of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

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USE OF PROCEEDS OF THE RIGHTS ISSUE

The Rights Issue is proposed with a view to provide further funding for the Group's business development and expansion and assisting with the Group's repayment of financial indebtedness. The net proceeds to be raised from the Rights Issue, being approximately HK\$220.63 million are intended to be applied as follows:

- (a) approximately HK\$70.0 million will be utilised for the payment of construction costs of the Group's new factory at Yuen Long Industrial Estate for its pharmaceutical manufacturing business;
- (b) approximately HK\$60.0 million will be utilised for potential property acquisition opportunities. As at the Latest Practicable Date, the Group has not yet identified any particular properties to be acquired but will continue to explore any potential acquisition opportunities to supplement the growth of its business;
- (c) approximately HK\$50.0 million will be utilised for the repayment of bank borrowings and interests of the Group; and
- (d) the remaining balance of approximately HK\$40.63 million will be utilised for general working capital of the Group.

Announcement(s) will be made by the Group in accordance with the Listing Rules as and when necessary when there is a material change in the use of net proceeds from the Rights Issue.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS

As at the Latest Practicable Date, the Company has 1,057,702 outstanding Share Options granted pursuant to the Company's share option scheme exercisable which entitle the holders thereof to subscribe for up to 1,057,702 Shares. Save for disclosed in the aforementioned, there are no outstanding options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

The Rights Issue may lead to adjustment to the exercise price and/or the number of Shares (as the case may be) to be issued upon exercise of the Share Options. Such adjustment will be made on the basis that the proportion of the issued share capital of the Company to which a grantee of share options is entitled shall remain the same before and after such adjustments in accordance with the rules of the share option scheme and the supplementary guidance issued by the Stock Exchange.

The Company will engage its auditors to provide a certificate(s) as to the adjustment required to be made to the terms of the outstanding Share Options as a result of the Rights Issue and will notify the holders of Share Options regarding adjustment to be made (if any) pursuant to the terms of the share option scheme after receiving the certificate.

LETTER FROM THE BOARD

PREVIOUS EQUITY FUND-RAISING EXERCISES IN THE PRIOR 12-MONTH PERIOD:

The following sets out the equity fund-raising activities of the Company in the past 12 months immediately preceding the date of the Joint Announcement:

Date of announcement	Date of completion	Fund raising activity	Net proceeds raised	Proposed use of the proceeds	Actual use of the proceeds
20 November 2014	4 December 2014	Placing of 700,000,000 new Shares under general mandate	HK\$90.5 million	(a) approximately HK\$40.0 million for expansion of production facilities; (b) approximately HK\$20.0 million for repayment of bank borrowings and interests; and (c) approximately HK\$30.5 million for general working capital of the Group.	Fully utilised as intended
20 August 2014	Top-up placing completed on 25 August 2014, top-up subscription completed on 28 August 2014	Top up placing and top-up subscription of 586,000,000 Shares under general mandate	HK\$105.7 million	(a) approximately HK\$90.0 million for the construction of the Group's new factory at Yuen Long Industrial Estate for its pharmaceutical manufacturing business; and (b) approximately HK\$15.7 million for general working capital of the Group.	Fully utilised as intended

Save as disclosed above, the Company did not raise any other funds by issue of equity securities during the 12-month period immediately preceding the date of the Joint Announcement.

LISTING RULES IMPLICATION

As the Rights Issue will not result in either the Company's issued share capital or its market capitalisation increasing by more than 50%, the Rights Issue is not subject to, among other things, the approval by the Shareholders under the Listing Rules.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By Order of the Board
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Tang Ching Ho
Chairman

* *For identification purpose only*

1. FINANCIAL INFORMATION

Financial information of the Group for (i) each of the three years ended 31 March 2012, 2013 and 2014 are disclosed in the annual reports of the Company for the years ended 31 March 2012 (pages 34 to 113 (please see pages 34 to 35 for the consolidated statement of comprehensive income and pages 36 to 37 for the consolidated statement of financial position)), 2013 (pages 39 to 126 (please see pages 39 to 40 for the consolidated statement of comprehensive income and pages 41 to 42 for the consolidated statement of financial position)) and 2014 (pages 47 to 134 (please see pages 47 to 48 for the consolidated statement of profit or loss and other comprehensive income and pages 49 to 50 for the consolidated statement of financial position)), respectively; and (ii) for the six months ended 30 September 2014 is disclosed in the interim report of the Company for the six months ended 30 September 2014 (pages 22 to 56 (please see pages 22 to 23 for the consolidated statement of profit or loss and other comprehensive income and pages 24 to 25 for the consolidated statement of financial position)). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2012, 2013 and 2014.

The annual reports of the Company for the three years ended 31 March 2014 and the interim report of the Company for the six months ended 30 September 2014 are published on both of the websites of HKExnews (<http://www.hkexnews.hk>) and the Company (<http://www.wyth.net/pressrelease.php>), respectively.

Quick links

Annual reports of the Company for the financial years ended 31 March 2012, 2013 and 2014 are available at the following internet links:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0716/LTN20120716315.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0722/LTN20130722453.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0612/LTN20140612417.pdf>

Interim report of the Company for the six months ended 30 September 2014 is available at the following internet link:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/1209/LTN20141209264.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 28 February 2015, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of the Prospectus, the Group had outstanding bank loans of approximately HK\$526.7 million, of which bank loans with an aggregate amount of approximately HK\$461.7 million were secured by the Group's land and buildings and investment properties and certain rental income generated from there. The carrying values of the Group's land and buildings and investment properties as at 28 February 2015, which were pledged to secure the Group's bank loans, amounted to approximately HK\$178.8 million and approximately HK\$485.7 million,

respectively. In addition, the Group's unsecured bank loans with an aggregate amount of approximately HK\$65.0 million were guaranteed by corporate guarantees provided by group companies as at 28 February 2015. The Group's secured bank loans bear contractual interest rate ranging from Prime rate minus 2.50% to 2.90% or HIBOR plus 1.28% to 2.25%, whilst the Group's unsecured bank loans bear contractual interest rate ranging from HIBOR plus 1.28% to 2.0%.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 28 February 2015, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Group after 28 February 2015 and up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

Save for the information as disclosed in the announcement of the Company dated 19 November 2014 in respect of the interim results of the Group for the six-month period ended 30 September 2014, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2014, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) the manufacturing, processing and retailing of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of "Wai Yuen Tong" and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; (ii) the processing and retailing of western pharmaceutical, health food and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; and (iii) property investment. There is no change in the Group's principal activities since 31 March 2014, being the date on which the latest published audited consolidated financial statements of the Group were made up.

For the six-month period ended 30 September 2014, the Group's results and performance were unsatisfactory and behind expectation. It recorded a drop in turnover of approximately 7.3% over the same period last year, achieved a turnover of approximately HK\$381.0 million (2013: approximately HK\$411.0 million). Besides, the Group recorded a decrease in profit for the six months ended 30 September 2014 as compared to the corresponding period in 2013, achieved a profit attributable to owners of the parent of approximately HK\$11.5 million (2013: approximately HK\$59.1 million). Such decline was mainly attributable to, among other things, the decrease in gross profit resulting from the decrease in the Group's turnover and the loss on deemed partial disposal of equity interests in an associate, despite the gain from change in fair value of investments held-for-trading.

In order to minimise the general adverse effect on our business of the worsening global environment as well as the ever changing local government policy, control and measure, the Group will continue to make efforts to expand its product range, broaden its customer base, strengthen quality control and enhance marketing and promotion activities so as to further uplift the image and competitiveness of its brands and its products. Realising that people are attaching greater importance to personal health and well-being, the Group will produce more educational information relating to these topics and will publish in various media which can show to the public our dedication within the industry. In order to restore the sales momentum in other sale channels, such as chain stores, key accounts, open trade, overseas, etc., the Group will further increase its focus and concentration by adding more resources, including manpower, incentives, advertising and promotion budget to develop these alternative sale channels, with the aim of balancing the risks and reliance on retail business and shifting towards a more healthy sale channel mix. Besides, the Group will also make use of the cyber world, such as online shopping, cooperate with other agencies focusing on group purchase business, set up a fans page on Facebook and launch iPhone apps, which have already been recognised as an effective and efficient way to promote our brands and products and bring in potential new customers from the younger generation. On the other hand, the Group will also evaluate merger and acquisition opportunities as a means to speed up growth if it can bring synergy to our existing business, as well as diversification of our investment portfolio for strengthening and broadening our income base.

Continuously rising labour, raw materials and rental costs all add burden to the Group as they form a significant portion of the Group's operating costs. By adopting various cost control measures, such as exploring new suppliers to ensure raw materials purchased are of high quality and at competitive prices, reviewing various operating cycles and processes so as to improve our production efficiency and restructuring some of our retail shops, whether location or shop size, to achieve greater sales revenue deriving from lower overall rental costs, the Group's management seeks to maintain its profitability. The Group will also consider acquiring suitable retail premises, both for long term capital appreciation purpose and to minimise the effect of the rising trend in rental costs.

Going forward, to expand the Group's pharmaceutical manufacturing business as well as to fulfill the stringent change of quality system in the pharmaceutical industry is the next milestone of the Group. The Group is now paying its utmost effort and full attention in the construction of the new and modernised five-storey factory building located at Yuen Long Industrial Estate to house its pharmaceutical (western drug) manufacturing and traditional Chinese medicine manufacturing. The new factory building was topped out at the end of 2014

and as at the Latest Practicable Date, the infrastructure, fit-out, machinery and equipment ordering works are in progress and are expected to be completed by the end of 2015 or in early 2016. It is currently expected that the total estimated cost to completion of the new factory building at Yuen Long Industrial Estate is approximately HK\$590.0 million, approximately 47% of which has been settled as at the Latest Practicable Date. The remaining cost to completion, apart from approximately HK\$70.0 million to be settled from the net proceeds expected to be raised from the Rights Issue, will be financed by bank borrowings and/or internal resources of the Group. The Group will also introduce the latest technologies and incorporate a research and development centre into this new factory. To prepare for the commencement of production at this new factory in 2017 and to ensure its capacity could be utilised efficiently, the Group has enhanced the effort on new products development and registration, especially focusing on those Chinese and western medicinal products, which we believe that their uniqueness and curative effect are the key attraction to consumers and consider to be the future continuous income source to the Group. As such, the Group is confident that our leading position as a local Hong Kong brand in the pharmaceutical industry will be further strengthened.

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2014 as if it had taken place on 30 September 2014.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its nature, it may not give a true picture of the financial position of the Group as at 30 September 2014 or at any future date.

The Unaudited Pro Forma Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2014 as extracted from the published unaudited consolidated statement of financial position of the Group as at 30 September 2014 as set out in the interim report of the Company for the six months ended 30 September 2014, after giving effect to the pro forma adjustments described in the accompanying notes.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP

	Unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 September 2014 <i>HK\$'000</i> <i>(Note 1)</i>	Less: Goodwill and intangible assets <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2014 <i>HK\$'000</i>	Net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company upon the completion of the Rights Issue <i>HK\$'000</i>
Based on 2,108,571,484 Rights Shares at subscription price of HK\$0.108 per Rights Share	<u>1,932,810</u>	<u>(15,681)</u>	<u>1,917,129</u>	<u>220,630</u>	<u>2,137,759</u>
Unaudited consolidated net tangible assets per Share attributable to the owners of the Company as at 30 September 2014 <i>(note 4)</i>					<u>0.545</u>
Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company immediately after completion of the Rights Issue <i>(note 5)</i>					<u>0.380</u>

Notes:

1. The unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 September 2014 of approximately HK\$1,932,810,000 is extracted from the Group's published unaudited consolidated statement of financial position as at 30 September 2014 as set out in the interim report of the Company for the six months ended 30 September 2014.
2. Goodwill and other intangible assets represent the Group's goodwill and 99.8% of the Group's other intangible assets attributable to the owners of the Company as at 30 September 2014 of approximately HK\$15,335,000 and HK\$346,000, respectively.
3. The estimated net proceeds from the Rights Issue of approximately HK\$220,630,000 are based on 2,108,571,484 Rights Shares to be issued at the subscription price of HK\$0.108 per Rights Share and after deduction of the estimated related expenses of approximately HK\$7.1 million.
4. The number of Shares used for the calculation of the unaudited consolidated net tangible assets per Share attributable to the owners of the Company prior to the completion of the Rights Issue is based on 3,517,142,969 Shares in issue as at 30 September 2014.
5. The number of Shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company upon completion of the Rights Issue is calculated based on 5,625,714,453 Shares in issue upon completion of the Rights Issue, which comprise the existing

3,517,142,969 Shares in issue as at 30 September 2014 and 2,108,571,484 Shares to be issued pursuant to the Rights Issue. No adjustment has been made to the placement of 700,000,000 new Shares by the Company pursuant to the announcement of the Company dated 20 November 2014.

6. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2014, including the placement of 700,000,000 new Shares by the Company pursuant to the announcement of the Company dated 20 November 2014.

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Financial Information of the Group for the purpose of incorporation in this Prospectus.



22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

24 April 2015

REPORT OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The Directors
Wai Yuen Tong Medicine Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Wai Yuen Tong Medicine Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 September 2014 and the related notes set out in Appendix II to the prospectus dated 24 April 2015 (the “**Prospectus**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection to the proposed rights issue in the proportion of one rights share for every two shares held by qualified shareholders on the record date (the “**Proposed Rights Issue**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in notes 2 to note 6 in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Rights Issue on the Group’s tangible assets as at 30 September 2014 as if the Proposed Rights Issue had taken place at 30 September 2014. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial position as at 30 September 2014 as set out in the interim report of the Company for the six months ended 30 September 2014.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Reporting Accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Proposed Rights Issue on unadjusted financial information of the Group as if the Proposed Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

The Prospectus Documents, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Prospectus Documents is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Prospectus Documents misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue are as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>60,000,000,000</u> Shares	<u>600,000,000.00</u>

<i>Issued and fully-paid:</i>	<i>HK\$</i>
<u>4,217,142,969</u> Shares in issue	<u>42,171,429.69</u>

(ii) Immediately following the completion of the Rights Issue

<i>Authorised:</i>	<i>HK\$</i>
<u>60,000,000,000</u> Shares	<u>600,000,000.00</u>

<i>Issued and fully paid:</i>	<i>HK\$</i>
4,217,142,969 Shares in issue before completion of the Rights Issue	42,171,429.69
2,108,571,484 Rights Shares to be allotted and issued upon completion of the Rights Issue	21,085,714.84
<u>6,325,714,453</u> Shares in issue immediately after completion of the Rights Issue	<u>63,257,144.53</u>

All the Rights Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there are outstanding Share Options entitling the holders thereof to subscribe for an aggregate of 1,057,702 Shares. Save as and except for the Share Options, as at the Latest Practicable Date, the Company has no other outstanding convertible securities, options in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in underlying Shares of Share Options:

Name of Director	Date of grant	Exercise price per Share	Number of Share Options outstanding	Exercisable period (Note 1)	Number of underlying Shares	Approximate percentage of the Company's total issued share capital (Note 2) %
Ms. Tang Mui Fun	8.1.2009	1.2050	78,214	8.1.2010 – 7.1.2019	78,214	0.002

Notes:

- (1) The Share Options granted to Ms. Tang Mui Fun vest 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

- (2) The percentage is calculated based on the total issued share capital of the Company as at the Latest Practicable Date of 4,217,142,969.

(b) Substantial shareholders' interest

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long positions in the Shares

Name of Shareholders	Nature of interest/ capacity	Number of Shares	Approximate percentage of the Company's total issued share capital (Note 1)
Rich Time (Notes 2 and 4)	Beneficial owner	1,826,813,051	43.32%
WOG (Notes 2 and 4)	Interest of a controlled corporation	1,826,813,051	43.32%
Wang On Enterprises (BVI) Limited ("WOE") (Notes 2 and 4)	Interest of a controlled corporation	1,826,813,051	43.32%
Caister Limited ("Caister") (Notes 3 and 4)	Interest of a controlled corporation	1,826,813,051	43.32%
Mr. Tang Ching Ho (Notes 3 and 4)	Interest of a controlled corporation	1,826,813,051	43.32%
Ms. Yau Yuk Yin (Notes 3 and 4)	Interest of a controlled corporation	1,826,813,051	43.32%
Chu Yuet Wah	Interest of a controlled corporation	1,146,829,319	18.12%
Active Dynamic Limited	Interest of a controlled corporation	1,146,829,319	18.12%
Galaxy Sky Investments Limited	Interest of a controlled corporation	1,146,829,319	18.12%
Kingston Capital Asia Limited	Interest of a controlled corporation	1,146,829,319	18.12%

Name of Shareholders	Nature of interest/ capacity	Number of Shares	Approximate percentage of the Company's total issued share capital (Note 1)
Kingston Financial Group Limited	Interest of a controlled corporation	1,146,829,319	18.12%
Kingston Securities Limited	Others	1,146,829,319	18.12%

Notes:

1. The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.
2. Rich Time, a wholly-owned subsidiary of WOE, which is a wholly-owned subsidiary of WOG, beneficially owned 1,826,813,051 Shares, including 864,542,034 existing Shares and 962,271,017 Rights Shares which is assumed to be fully allotted under the WOG Irrevocable Undertaking. WOE and WOG are taken to be interested in 1,826,813,051 Shares held by Rich Time.
3. Caister, a company wholly-owned by Mr. Tang Ching Ho (a director of the Company and WOG), beneficially owned 2,336,125,102 shares in WOG, representing 35.8% in the issued share capital of WOG. Caister, Mr. Tang Ching Ho and Ms. Yau Yuk Yin (the spouse of Mr. Tang Ching Ho) are deemed to be interested in the 1,826,813,051 Shares indirectly held by WOG through WOE and Rich Time, respectively.
4. As at the Latest Practicable Date, (i) Mr. Tang Ching Ho and Mr. Chan Chun Hong, Thomas, executive Directors, were also directors of WOG; (ii) Ms. Yau Yuk Yin, the spouse of Mr. Tang Ching Ho, was also a director of WOG; (iii) Mr. Chan Chun Hong, Thomas was also a director of Rich Time and WOE; and (iv) Mr. Tang Ching Ho was also a director of Caister.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Group.

4. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective associates were considered to have any interests in businesses which competed or were likely, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 March 2014 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given an opinion or advice, which is contained in this Prospectus:

Name	Qualification
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, Ernst & Young (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2014 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the Underwriting Agreement;
- (b) an underwriting agreement dated 23 December 2014 (as varied on 8 January 2015 and 28 January 2015) entered into between China Agri-Products Exchange Limited (“**CAP**”), the Company, Jade Range Limited (a wholly-owned subsidiary of the Company) and Kingston in relation to, among others, the underwriting of 660 million rights shares in CAP contemplated under the rights issue of CAP, the details of which were set out in the announcements jointly issued by the Company, CAP, PNG Resources Holdings Limited (“**PNG**”) and WOG dated 8 January 2015 and 29 January 2015 and the circular of the Company dated 13 March 2015, respectively;
- (c) a facility letter dated 28 November 2014 entered into between Winning Rich Investments Limited (“**Winning Rich**”) (a wholly-owned subsidiary of the Company) and CAP pursuant to which Winning Rich has agreed to extend the repayment of the accrued interests of HK\$18,950,685 from 28 November 2014 to 31 May 2015;
- (d) a placing agreement dated 20 November 2014 entered into between the Company and Kingston pursuant to which the Company has agreed to place, through Kingston, 700 million new Shares to not fewer than six independent third parties at a placing price of HK\$0.133 per Share for an aggregate net proceeds of approximately HK\$90.5 million, which was completed on 4 December 2014, details of which were set out in the announcement of the Company dated 20 November 2014;
- (e) a subscription agreement dated 4 October 2014 (as amended by a supplemental agreement dated 28 November 2014) entered into between (i) CAP, as the issuer; (ii) Double Leads Investments Limited, Peony Finance Limited and Winning Rich, collectively as the subscribers; and (iii) CCB International Capital Limited, as the placing agent, in relation to, inter alia, the subscription for the unsecured five-year 10.0% coupon bonds issued by CAP on 28 November 2014 to Winning Rich (“**2019 CAP Bonds**”) for an aggregate sum of HK\$720 million, details of which were set out in the announcements of the Company dated 4 October 2014 and 28 November 2014, respectively, and the circular of the Company dated 24 October 2014;
- (f) a supplemental agreement dated 30 September 2014 to the loan agreement dated 10 March 2011 (as amended by an amendment deed dated 6 September 2012 and further amended by an assignment dated 25 June 2013) entered into between Winning Rich, as the lender, and CAP, as the borrower, for the extension of the repayment date from 30 September 2014 to 30 November 2014 in consideration that CAP will use the net proceed from the issue of the 2019 CAP Bonds to repay such unsecured loan facility of a sum of HK\$15.0 million, the details of which were set out in the announcement of the Company dated 4 October 2014;

- (g) a supplemental agreement dated 30 September 2014 to the loan agreement dated 11 January 2011 (as amended by an amendment deed dated 6 September 2012 and further amended by an assignment dated 25 June 2013) entered into between Winning Rich, as the lender, and CAP, as the borrower, for the extension of the repayment date from 30 September 2014 to 30 November 2014 in consideration that CAP will use the net proceed from the issue of the 2019 CAP Bonds to repay such unsecured loan facility of a sum of HK\$60.0 million, the details of which were set out in the announcement of the Company dated 4 October 2014;
- (h) a top-up placing and subscription agreement dated 20 August 2014 entered into between Rich Time, as the vendor and the subscriber, the Company, as the issuer, and Kingston, as the placing agent, pursuant to which (i) Rich Time has agreed to place, through Kingston, 586 million existing Shares to not fewer than six places at a placing price of HK\$0.186 per Share; and (ii) Rich Time has conditionally agreed to subscribe for 586 million new Shares at the subscription price of HK\$0.186 per Share. The aggregate net proceeds from the top-up placing and the top-up subscription were approximately HK\$105.7 million, and were completed on 25 August 2014 and 28 August 2014, respectively, the details of which were set out in the announcement of the Company dated 20 August 2014;
- (i) a letter of intent dated 23 May 2014 entered into between the Company, through its wholly-owned subsidiary, namely New Supreme Investment Limited (“**New Supreme**”), as the employer, and Cheung Kee Fung Cheung Construction Company Limited, as the contractor, regarding the conditional award of the main contract at a contract sum of HK\$363,687,086 for the construction of the factory located at Yuen Long Industrial Estate for the pharmaceutical manufacturing development, the details of which were set out in the announcement and circular of the Company dated 23 May 2014 and 20 June 2014, respectively;
- (j) a provisional sale and purchase agreement dated 8 May 2014 entered into between Sky Success Limited (an indirect wholly-owned subsidiary of the Company) as the purchaser and an independent third party individual as the vendor for the acquisition of a property at G/F., No. 76B To Kwa Wan Road, Kowloon with a saleable floor area of approximately 513.0 square feet for a cash consideration of HK\$40.3 million, the details of which were set out in the announcement of the Company dated 9 May 2014;
- (k) a supplemental construction contract dated 4 April 2014 to the existing construction contract dated 11 October 2013 entered into between New Supreme, as the employer, and Chi Fu Engineering Limited, as the contractor, in relation to the additional construction works, including additional excavation and lateral support works, pile caps and tie beams, to the existing construction works, including the design and construction of foundations, pile cap and excavation and lateral support works, for the construction of the Building for an aggregate contract sum of HK\$47.7 million, the details of which were set out in the Company’s announcement dated 4 April 2014;

- (l) an underwriting agreement dated 4 December 2013 entered into between the Company, CAP, WOG, Hugh Thrive Investments Limited, Ultimate Fame Holdings Limited (an indirect wholly-owned subsidiary of the Company) and Kingston in relation to, among others, the underwriting of 228 million rights shares in CAP contemplated under the rights issue of CAP, the details of which were set out in the Company's announcement and circular dated 19 December 2013 and 23 January 2014, respectively;
- (m) a top-up placing and subscription agreement dated 20 November 2013 entered into between Gain Better Investments Limited ("**Gain Better**") (an indirect wholly-owned subsidiary of the Company), as the vendor and the subscriber, PNG, as the issuer, and Kingston, as the placing agent, pursuant to which (i) Gain Better has agreed to place, through Kingston, 1,538 million top-up placing shares of PNG to not fewer than six places at a placing price of HK\$0.1 per placing share; and (ii) Gain Better has conditionally agreed to subscribe for 1,538 million top-up subscription shares of PNG at the subscription price of HK\$0.1 per subscription share. The top-up placing and the top-up subscription were completed on 25 November 2013 and 27 November 2013 respectively, the details of which were set out in the announcements of the Company dated 20 November 2013 and 27 November 2013;
- (n) a supplemental agreement to the loan agreement dated 10 July 2009 (as previously supplemented by the supplemental agreement dated 11 July 2011 executed between Gain Better and PNG and amended by an assignment dated 1 July 2013 executed between Gain Better and Hearty Limited ("**Hearty**") (an indirect wholly-owned subsidiary of the Company)) entered into between Hearty and PNG on 22 August 2013, pursuant to which Hearty agreed to extend the repayment date of an unsecured loan facility of HK\$10.0 million to PNG for further three years upon its maturity date, being 8 July 2014, in consideration for the increase in interest rate payable by PNG from 8.0% to 10.0% per annum and the interest to be payable on an annual basis therefrom, the details of which were set out in the Company's announcement and circular dated 22 August 2013 and 9 September 2013, respectively;
- (o) a supplemental agreement to the loan agreement dated 28 August 2009 (as amended by an assignment dated 1 July 2013 executed between Gain Better and Hearty) entered into between Hearty and PNG on 22 August 2013, pursuant to which Hearty agreed to extend the repayment date of an unsecured loan facility of HK\$190.0 million to PNG for further three years upon its maturity date, being 12 November 2013, in consideration for the increase in interest rate payable by PNG from 8.0% to 10.0% per annum and the interest to be payable on an annual basis therefrom, the details of which were set out in the Company's announcement and circular dated 22 August 2013 and 9 September 2013, respectively; and
- (p) a loan agreement dated 28 May 2013 entered into between Give Power Limited (an indirect wholly-owned subsidiary of the Company) ("**Give Power**"), as the lender, and CAP, as the borrower, for the provision of an unsecured revolving credit facility

in the maximum aggregate amount of HK\$150.0 million at an interest rate of 12.0% per annum for a period of 36 months from 28 May 2013, the details of which were set out in the announcement of the Company dated 28 May 2013.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$7.1 million, which are payable by the Company.

11. CORPORATE INFORMATION

Board of Directors

Correspondence Address

Executive Directors

Mr. Tang Ching Ho, *JP (Chairman)*

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Chan Chun Hong, Thomas
(Managing Director)

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Ms. Tang Mui Fun

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Independent Non-executive Directors

Mr. Leung Wai Ho, *MH*

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Siu Man Ho, Simon

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Board of Directors

Mr. Cho Wing Mou

Mr. Li Ka Fai, David

Audit Committee

Mr. Li Ka Fai, David, *Chairman*

Mr. Siu Man Ho, Simon

Mr. Cho Wing Mou

Mr. Leung Wai Ho, *MH*

Remuneration Committee

Mr. Siu Man Ho, Simon, *Chairman*

Mr. Leung Wai Ho, *MH*

Mr. Cho Wing Mou

Mr. Tang Ching Ho, *JP*

Mr. Chan Chun Hong, Thomas

Nomination Committee

Mr. Cho Wing Mou *Chairman*

Mr. Siu Man Ho, Simon

Mr. Leung Wai Ho, *MH*

Mr. Tang Ching Ho, *JP*

Mr. Chan Chun Hong, Thomas

Executive Committee

Mr. Tang Ching Ho, *JP*

Mr. Chan Chun Hong, Thomas

Ms. Tang Mui Fun

Correspondence Address

5/F., Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

5/F., Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

Company Secretary

Ms. Mak Yuen Ming, Anita

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

**Head Office and Principal Place of
Business in Hong Kong**

5/F., Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

Auditors

Ernst & Young

Certified Public Accountants

22/F., CITIC Tower

1 Tim Mei Avenue

Central

Hong Kong

**Branch Share Registrar and
Transfer Office in Hong Kong**

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Legal Advisers

As to Hong Kong Law

DLA Piper Hong Kong
17/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Gallant Y. T. Ho & Co
5/F., Jardine House
1 Connaught Place
Central
Hong Kong

As to Bermuda Law

Conyers Dill and Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

Authorised Representatives

Mr. Tang Ching Ho, *JP*
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Mr. Chan Chun Hong, Thomas
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

**Principal Share Registrar and
Transfer Agent**

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Principal Bankers

China Construction Bank (Asia)
Corporation Limited
Suite 2508–2511, 25/F, Tower 6
The Gateway, Harbour City
Tsimshatsui
Kowloon

DBS Bank (Hong Kong) Limited
16/F., The Center
99 Queen's Road Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road
Central
Hong Kong

United Overseas Bank Limited
25/F, Gloucester Tower
The Landmark
15 Queen's Road
Central
Hong Kong

Stock Code

897

Homepage

<http://www.wyth.net>

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Underwriter of the Rights Issue	Kingston Securities Limited Suite 2801, 28/F One International Finance Centre 1 Harbour View Street Central Hong Kong
Financial adviser to the Company for the Rights Issue	Kingston Corporate Finance Limited Suite 2801, 28/F One International Finance Centre 1 Harbour View Street Central Hong Kong
Legal advisers to the Company for the Rights Issue	<i>As to Hong Kong Law</i> Sullivan & Cromwell 28/F., Nine Queen's Road Central Hong Kong
Reporting accountants	Ernst & Young <i>Certified Public Accountants</i> 22/F., CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Branch share registrar and transfer office of the Company in Hong Kong	Tricor Secretaries Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter referred to in the section headed “Expert and Consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. PROFILES OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *JP*, aged 52, was appointed as the chairman of the Company in August 2001. He is also an authorised representative and a member of the remuneration committee, the nomination committee and the executive committee of the Company. He is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WOG. Mr. Tang is the committee member of the 12th National Committee of the Chinese People’s Political Consultative Conference (“**CPPCC**”) and is also appointed as a standing committee member and convener of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and the president of Federation of Hong Kong Guangxi Community Organisations Limited and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the brother of Ms. Tang Mui Fun, an executive Director.

Mr. Chan Chun Hong, Thomas, aged 51, was appointed as the managing Director in August 2001. He is also an authorised representative and a member of the remuneration committee, the nomination committee and the executive committee of the Company. He also acts as directors of certain subsidiaries of the Group. He is responsible for managing the corporate matters and overall management and supervision of the Group. He is also the managing director of WOG, the chairman and managing director of PNG, the chairman and chief executive officer of CAP, all companies are listed on the main board of the Stock Exchange. Mr. Chan resigned as an independent non-executive director of Shanghai Prime Machinery Company Limited, a company listed on the Main Board of the Stock Exchange, with effect from 27 June 2014. He graduated from the Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with a degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Ms. Tang Mui Fun, aged 43, joined the Group in 2000 and was appointed as the executive Director in September 2007. Ms. Tang is a member of the executive committee of the Company and acts as directors of certain subsidiaries of the Group. She is responsible for the overall strategic planning and development and policy making for the core business of the Group. She graduated from the University of Hull (England) with a bachelor degree in accountancy. Prior to joining the Group, she had four years of experience in the accounting and auditing fields and five years of experience in general management. She is a sister of Mr. Tang Ching Ho, the chairman of the Company.

Independent Non-executive Directors

Mr. Leung Wai Ho, *MH*, aged 65, was re-designated as an independent non-executive Director in April 2006 from a non-executive Director and he joined the Group in 1994. Mr. Leung is a member of the audit committee, the remuneration committee and the nomination committee of the Company. He has more than 49 years and 19 years of experiences in the watch industry and financial industry respectively. He is a National Committee Member of the CPPCC, a Standing Committee Member of The Chinese General Chamber of Commerce, a Committee Member of The Chinese Manufacturers' Association of Hong Kong, the chairman of the Watches and Clocks Advisory Committee of the Hong Kong Trade Development Council, the Honorary President of the Hong Kong Chamber of Commerce in China — Guangdong and the Chartered President of the Dongguan City Association of Enterprises with Foreign Investment.

Mr. Siu Man Ho, Simon, aged 41, joined the Company as an independent non-executive Director in August 2001. He is a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Siu is a practising solicitor of the High Court of Hong Kong. He obtained a bachelor of Laws degree from the University of Hong Kong in 1996 and is a partner of a law firm, namely Sit, Fung, Kwong & Shum, and a China-Appointed Attesting Officer. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters. Mr. Siu is also an independent non-executive director of Brilliant Circle Holdings International Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Cho Wing Mou, aged 73, joined the Company as an independent non-executive Director in September 2001. He is a member of the audit committee and the remuneration committee of the Company and the chairman of nomination committee of the Company. Mr. Cho has over 42 years of experience in banking industry and was formerly as a director and deputy general manager of Hua Chiao Commercial Bank Limited and The China State Bank Limited. He is a committee member of the 8th Political Consultative Conference Guangxi and a committee member of the 1st to 3rd Political Consultative Conference of Yulin City, Guangxi Province. Mr. Cho is the Permanent Chairman of Gee Tuck General Association Hong Kong Limited and the Honorary Permanent President of Gee Tuck World Association Limited. He was a committee member of Political Consultative Conference of Maoming City, Guangdong Province.

Mr. Li Ka Fai, David, aged 60, joined the Company as an independent non-executive Director on 17 March 2015. He is also the chairman of the audit committee of the Company. Mr. Li is currently the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, U.K., The Institute of Chartered Secretaries and Administrators, U.K., as well as The Institute of Chartered Accountants in England and Wales. Mr. Li is an independent non-executive director and the chairman of the audit committee of each of China-Hongkong Photo Products Holdings Limited and Shanghai Industrial Urban Development Group Limited. Mr. Li is also an independent non-executive director, the chairman of the audit committee, member of the nomination committee and member of the remuneration committee of Cosmopolitan International Holdings Limited and Goldlion Holdings Limited, an independent non-executive director, member of the audit committee, member of the nomination committee and the chairman of the remuneration committee of China Merchants Holdings (International) Company Limited, and an independent non-executive director, member of the audit committee and member of the remuneration committee of AVIC International Holding (HK) Limited, all of such companies are being listed in Hong Kong.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business in Hong Kong of the Company at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours (Saturdays and public holidays excepted) up to and including the date which is 14 days from the date of this Prospectus:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 March 2012, 2013 and 2014;
- (c) the interim report of the Company for the six months ended 30 September 2014;
- (d) the report on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group upon completion of the Rights Issue, the text of which is set out in Appendix II of this Prospectus;
- (e) the letter from the Board;
- (f) the material contracts as referred to in the section headed “material contracts” in this appendix;
- (g) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix;

- (h) copies of the circulars dated and 20 June 2014, 24 October 2014 and 13 March 2015, respectively, issued by the Company pursuant to the requirements set out in Chapter 14 of the Listing Rules; and
- (i) the Prospectus.

17. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's head office and principal place of business in Hong Kong is at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English texts of the Prospectus Documents shall prevail over their Chinese texts in the case of inconsistencies.