
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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WAI YUEN TONG MEDICINE HOLDINGS LIMITED (位元堂藥業控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 897)

PROPOSED GRANT OF NEW ISSUE MANDATE AND NEW REPURCHASE MANDATE, RE-ELECTION OF THE RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Garden Room A-D, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 29 August 2018 at 11:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

Whether or not you intend to attend and vote in person at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

In token of the Company's appreciation of your support and to facilitate the AGM to proceed smoothly, the Shareholders or proxies or corporate representatives who attend the AGM in person will each receive ONE souvenir and ONE complimentary take-away light refreshment box after the conclusion of the AGM. If a Shareholder is also appointed as proxy/proxies of other Shareholder(s), or a proxy represents multiple Shareholders, the number of souvenir and refreshment box each of the aforesaid Shareholder or proxy or corporate representative will receive is limited to ONE.

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context specifies otherwise:

“AGM”	the annual general meeting of the Company to be convened and held at Garden Room A-D, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 29 August 2018 at 11:30 a.m. or at any adjournment thereof (as the case may be) to consider and, if thought fit, approve, <i>inter alia</i> , (i) the grant of the New Issue Mandate and the New Repurchase Mandate; and (ii) the re-election of the retiring Directors
“Board”	the board of the Directors
“Bye-law(s)”	the bye-laws of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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 whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* For identification purpose only

DEFINITIONS

“New Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares and other securities up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution(s) granting such mandate (such mandate to be extended and added by the number of Shares, if any, repurchased by the Company since the grant of such mandate)
“New Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares during the prescribed period on the Stock Exchange up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) with a nominal value 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)”	share option(s) granted or to be granted to the entitled persons to subscribe for Share(s) under the share option scheme adopted by the Company on 18 September 2003, which has been terminated on 22 August 2013, and the existing share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders at the annual general meeting held on 22 August 2013 and any other share option scheme(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	a subsidiary(ies) for the time being of the Company within the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Wang On”	Wang On Group Limited (宏安集團有限公司)*, a controlling Shareholder and a holding company of the Company holding 56.54% equity interest in the Company, whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Wang On Group”	Wang On and its subsidiaries and parties acting in concert with it (as defined under the Takeovers Code)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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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, *SBS, JP*
(Chairman and Managing Director)
Mr. Chan Chun Hong, Thomas
Ms. Tang Mui Fun
Ms. Tang Wai Man

Independent non-executive Directors:

Mr. Leung Wai Ho, *MH*
Mr. Siu Man Ho, Simon
Mr. Cho Wing Mou
Mr. Li Ka Fai, David

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal
place of business:*

Suite 3101, 31/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

27 July 2018

*To the Shareholders and, for information purpose only,
the holders of the Share Options*

Dear Sir or Madam,

**PROPOSED GRANT OF NEW ISSUE MANDATE AND
NEW REPURCHASE MANDATE,
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval, *inter alia*, on (i) the grant of the New Issue Mandate and the New Repurchase Mandate; and (ii) the re-election of the retiring Directors. A notice of the AGM containing the resolutions to be proposed at the AGM is set out on pages AGM-1 to AGM-5 of this circular.

* *For identification purpose only*

LETTER FROM THE BOARD

GRANT OF THE NEW ISSUE MANDATE AND THE NEW REPURCHASE MANDATE

At the Company's last annual general meeting held on 29 August 2017, the Directors were granted (i) a general mandate to allot, issue and deal with an aggregate number of not exceeding 20% of the total number of Shares in issue as at 29 August 2017 (equivalent to an aggregate of 253,028,577 Shares) (the "**2017 General Mandate**"); and (ii) a general mandate to repurchase Shares up to a maximum 10% of the total number of Shares in issue as at 29 August 2017 (equivalent to an aggregate of 126,514,288 Shares) (the "**2017 Repurchase Mandate**").

As at the Latest Practicable Date, the 2017 General Mandate and the 2017 Repurchase Mandate had not been utilised and/or refreshed and they will expire at the conclusion of the AGM.

To facilitate future allotment, issue and repurchase of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of:

- (a) the New Issue Mandate;
- (b) the New Repurchase Mandate; and
- (c) if the New Issue Mandate is granted, a general mandate to add the aggregate number of Shares repurchased by the Company under the New Repurchase Mandate to the New Issue Mandate, subject to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the total number of Shares in issue was 1,265,142,888. Upon the passing of the relevant resolutions at the AGM and assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company would be allowed (i) pursuant to the New Issue Mandate to allot, issue and deal with 253,028,577 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the relevant resolution; and (ii) pursuant to the New Repurchase Mandate to repurchase 126,514,288 Shares, representing 10% of the total number of Shares in issue as at the date of passing of the relevant resolution. The Directors have no immediate plans to allot and issue any Shares under the New Issue Mandate.

An explanatory statement giving certain information in respect of the New Repurchase Mandate as required under the Listing Rules to be included in this circular is set out in Appendix I to this circular.

RE-ELECTION OF THE RETIRING DIRECTORS

As at Latest Practicable Date, the Board consists of eight Directors, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas, Ms. Tang Mui Fun and Ms. Tang Wai Man, as the executive Directors, Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Cho Wing Mou and Mr. Li Ka Fai, David, as the independent non-executive Directors.

LETTER FROM THE BOARD

In accordance with Bye-law 87 of the Bye-laws, Ms. Tang Mui Fun, Mr. Leung Wai Ho and Mr. Siu Man Ho, Simon will retire as Directors by rotation at the AGM and, being eligible, offer themselves for re-election. Each of Mr. Leung Wai Ho and Mr. Siu Man Ho, Simon had served the Company as an independent non-executive Director for more than nine years and pursuant to the Corporate Governance Code under Appendix 14 to the Listing Rules, their further appointments as independent non-executive Directors should be subject to a separate resolution to be approved by the Shareholders. Nonetheless, the Company believes that both Mr. Leung and Mr. Siu can independently express opinions on the affairs and contribute to the growth of the Group for the reason that each of Mr. Leung and Mr. Siu has been continuously meeting the independence guidelines set out in Rule 3.13 of the Listing Rules and has not involved in any daily operations and management of the Group. Biographical details of each of Mr. Tang Mui Fun, Mr. Leung Wai Ho and Mr. Siu Man Ho, Simon required to be disclosed pursuant to the Listing Rules are set out in Appendix II to this circular.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received in accordance with the Bye-laws after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of such additional candidate(s) proposed.

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 this circular misleading.

THE AGM

A notice of the AGM, which is convened for the purpose of considering and, if thought fit, approving, among other things, (i) the grant of the New Issue Mandate and the New Repurchase Mandate; and (ii) the re-election of the retiring Directors, is set out on pages AGM-1 to AGM-5 of this circular.

The Directors are not aware of any Shareholder who is required to abstain from voting at the AGM. Pursuant to Rule 13.39(4) of the Listing Rules and/or the Bye-laws, the voting on all proposed resolutions set out in the notice of the AGM will be taken by way of a poll and an announcement on the poll results will be published by the Company on the websites of the Stock Exchange and the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules after the AGM.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote in person at the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later

LETTER FROM THE BOARD

than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that (i) the grant of the New Issue Mandate and the New Repurchase Mandate; and (ii) the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions set out in the notice of the AGM contained herein.

Yours faithfully,
For and on behalf of the Board
Wai Yuen Tong Medicine Holdings Limited
(位元堂藥業控股有限公司*)
Tang Ching Ho
Chairman and Managing Director

* *For identification purpose only*

APPENDIX I EXPLANATORY STATEMENT ON THE NEW REPURCHASE MANDATE

This Appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the New Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 1,265,142,888, and there was 39,170 outstanding Share Options. If such outstanding Share Options are exercised in full on or prior to the date of passing of the resolution in respect of the New Repurchase Mandate, a further 39,170 Shares will be in issue.

Subject to the passing of the relevant resolution(s) as set out in the notice of the AGM and assuming that no further Shares are/will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Directors will be authorised to repurchase up to a maximum of 126,514,288 Shares pursuant to the New Repurchase Mandate. Assuming that all outstanding Share Options are exercised in full on or before the date of passing of the resolution in respect of the New Repurchase Mandate and assuming no further Shares are/will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the total number of Shares in issue will be 1,265,182,058 and the Directors will be authorised to repurchase up to a maximum of 126,518,205 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

The Company must fund the repurchase entirely from the Company's available cash flow or working capital facilities legally available for such purpose in accordance with its memorandum of association, the Bye-laws, the laws of Bermuda and other applicable laws.

There will not be any material adverse impact on the working capital requirement or gearing level of the Company as compared with the positions disclosed in the audited consolidated financial statements set out in the Company's annual report for the year ended 31 March 2018 in the event that the New Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period.

As set out above, the New Repurchase Mandate will only be exercised when the Directors believe that such purchases will benefit the Company and the Shareholders as a whole.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, have any present intention, in the event that the New Repurchase Mandate is approved by the Shareholders at the AGM, to sell Shares to the Company under the New Repurchase Mandate.

No core connected person has notified the Company that he has a present intention to sell any Shares to the Company, or that he has undertaken not to sell any Shares held by him to the Company, in the event that the New Repurchase Mandate is granted by the Shareholders at the AGM.

5. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company pursuant to the New Repurchase Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Bye-laws and the applicable laws of Bermuda so far as the same may be applicable.

7. EFFECT OF THE TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the New Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of such increase, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, (i) the controlling shareholder, Wang On Group, was interested or deemed to be interested in approximately 56.54% of the total issued share capital of the Company; and (ii) Mr. Tang Ching Ho, the chairman and managing Director, and parties acting in concert (as defined in the Takeovers Code) with him, together held 52.75% interest in Wang On and thus he and his associates are also deemed to be interest in 56.54% interest in the Company. In the event that the Directors should exercise in full the power to repurchase Shares under the New Repurchase Mandate and if there is no other change in the issued share capital of the Company, the shareholding of Wang On Group, Mr. Tang Ching Ho and parties acting in concert with any of them, in the Company will be increased to approximately 62.82% of the total issued share capital of the Company. The Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchases made under the New Repurchase Mandate.

APPENDIX I EXPLANATORY STATEMENT ON THE NEW REPURCHASE MANDATE

The Directors have no present intention to exercise the power to repurchase the Shares to the extent that the aggregate amount of the share capital of the Company in public hands would be reduced to less than 25%.

8. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the last twelve months were as follows:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
July	0.400	0.345
August	0.425	0.335
September	0.405	0.375
October	0.385	0.345
November	0.380	0.345
December	0.355	0.330
2018		
January	0.380	0.350
February	0.370	0.320
March	0.355	0.320
April	0.355	0.310
May	0.370	0.335
June	0.350	0.255
July (up to and including the Latest Practicable Date)	0.300	0.275

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The biographical details of Ms. Tang Mui Fun, Mr. Leung Wai Ho and Mr. Siu Man Ho, Simon who are proposed, and being eligible, to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTOR

Ms. Tang Mui Fun, aged 47, joined the Group in 2003 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. Ms. Tang has extensive experience in pharmaceutical industry and has been re-appointed as a member of each of the Pharmacy and Poisons (Listed Sellers of Poisons) Committee and the Committee on Research and Development of Chinese Medicines on an *ad personam basis*, she is also elected as a member of each of Chinese Medicine Council of Hong Kong, Chinese Medicines Board and Chinese Medicines Committee. She graduated from the University of Hull (England) with a bachelor degree in accounting. Prior to joining the Group, she had over two 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 and Ms. Tang Wai Man, an executive Director, is a niece of Ms. Tang Mui Fun.

Pursuant to the service contract entered into between the Company and Ms. Tang, Ms. Tang is entitled to a remuneration of approximately HK\$1.7 million per annum and bonus at the discretion of the Board by reference to the Company's performance and the prevailing practice in the industry. The term of Ms. Tang's appointment is subject to the retirement by rotation and re-election at any subsequent annual general meeting of the Company in accordance with the provisions of the Bye-laws.

As at the Latest Practicable Date, Ms. Tang held 4,554 Share Options under the share option scheme adopted by the Shareholders on 18 September 2003, which are exercisable during the period between 8 January 2010 and 7 January 2019. Ms. Tang did not hold any other directorship in listed companies in the past three years preceding the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Ms. Tang did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders nor have any interests in the Shares within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is/was Ms. Tang involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Directors are not aware of any other matters regarding the reelection of Ms. Tang that needs to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wai Ho, *MH*, aged 68, was re-designated as an independent non-executive Director in April 2006 from a non-executive Director. Mr. Leung is a member of the audit committee, the remuneration committee and the nomination committee of the Company. He has more than 51 years and 21 years of experiences in the watch industry and financial industry respectively. He is a member of the 11th and 12th plenary session of the National Committee of the Chinese People's Political

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

Consultative Conference (“CPPCC”), a Standing Committee Member of The Chinese General Chamber of Commerce, a Committee Member of The Chinese Manufacturers’ Association of Hong Kong, 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. Leung is also appointed as a candidate of 2016 Election Committee of HKSAR Chief Executive, Subsector — CPPCC.

Mr. Leung has entered into a letter of appointment with the Company for not more than three years. In accordance with the terms of the letter of appointment, Mr. Leung is entitled to a Director’s fee of HK\$144,000 per annum and will also be entitled to a fee in the amount of HK\$40,000 per annum determined with reference to his duties as a member of the audit committee of the Company. The term of Mr. Leung’s appointment is subject to the retirement by rotation and re-election at any subsequent annual general meeting of the Company in accordance with the provisions of the Bye-laws.

As at the Latest Practicable Date, Mr. Leung did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders nor have any interest in the Shares within the meaning of Part XV of the SFO. Also, as at the Latest Practicable Date, he did not hold any other positions with the Company or any member of the Group.

There is no information which is discloseable nor is/was Mr. Leung involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Directors are not aware of any other matters regarding the re-election of Mr. Leung that needs to be brought to the attention of the Shareholders.

Mr. Siu Man Ho, Simon, aged 44, 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 each of Brilliant Circle Holdings International Limited (stock code: 1008), Weiye Holdings Limited (stock code: 1570), Shuang Yun Holdings Limited (stock code: 1706) and HKE Holdings Limited (stock code: 1726), all of which are listed on the Main Board of the Stock Exchange. Mr. Siu was appointed as the independent non-executive director of Jiashili Group Limited (stock code: 1285) with effect from 12 June 2015 and resigned from the position on 1 December 2015.

Mr. Siu has entered into a letter of appointment with the Company for not more than three years. In accordance with the terms of the letter of appointment, Mr. Siu is entitled to a Director’s fee of HK\$144,000 per annum and will also be entitled to a fee in the amount of HK\$40,000 per annum determined with reference to his duties as a member of the audit committee of the Company. The term of Mr. Siu’s appointment is subject to the retirement by rotation and re-election at any subsequent annual general meeting of the Company in accordance with the provisions of the Bye-laws.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, Mr. Siu did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders nor have any interest in the Shares within the meaning of Part XV of the SFO. Also, as at the Latest Practicable Date, he did not hold any other positions with the Company or any member of the Group.

There is no information which is discloseable nor is/was Mr. Siu involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and the Directors are not aware of any other matters regarding the re-election of Mr. Siu that needs to be brought to the attention of the Shareholders.

NOTICE OF THE AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*) (the “**Company**”) will be held at Garden Room A-D, 2/F, New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Wednesday, 29 August 2018 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 March 2018.
2. To re-elect the following retiring directors:
 - (i) Ms. Tang Mui Fun as an executive director of the Company;
 - (ii) Mr. Leung Wai Ho as an independent non-executive director of the Company;
 - (iii) Mr. Siu Man Ho, Simon as an independent non-executive director of the Company;
and
 - (iv) to authorise the board of directors (the “**Board**” or the “**Directors**”) to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as auditors of the Company and to authorise the Board to fix their remuneration.

* For identification purpose only

NOTICE OF THE AGM

AS SPECIAL BUSINESS, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:

4. (A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company (the **“Shares”**) be and is hereby generally and unconditionally approved;
- (b) the aggregate Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Company’s bye-laws (the **“Bye-law(s)”**) to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(B) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares, and to make, issue or grant offers, agreements and options (including bonds, warrants and securities or debentures convertible into Shares or options) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF THE AGM

- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make, issue or grant offers, agreements and options (including bonds, warrants and securities or debentures convertible into Shares or options) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, granted, distributed or otherwise dealt with (whether pursuant to an option, a conversion or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);

 - (ii) the exercise of the rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares;

 - (iii) the exercise of any Share Option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; and

 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the Bye-laws in force from time to time,

shall not exceed the aggregate of (aa) 20% of the total number of shares of the Company in issue at the date of the passing of this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of shares of the Company in issue at the date of the passing of this resolution), the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Bye-laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or stock exchange in any territory outside Hong Kong).”

- (C) “**THAT** conditional upon the passing of the resolutions numbered 4(A) and 4(B) above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares pursuant to the resolution numbered 4(B) above be and is hereby extended by the addition to the number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate an amount representing the aggregate share capital of the Company repurchased or agreed to be repurchased by the Company since the granting of the general mandate pursuant to resolution numbered 4(A) above, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution.”

By Order of the Board
Wai Yuen Tong Medicine Holdings Limited
(位元堂藥業控股有限公司*)
Mak Yuen Ming, Anita
Company Secretary

Hong Kong, 27 July 2018

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Suite 3101, 31/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

* *For identification purpose only*

NOTICE OF THE AGM

Notes:

1. A form of proxy for use at the AGM is enclosed.
2. The register of members of the Company will be closed from Wednesday, 22 August 2018 to Wednesday, 29 August 2018 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the AGM or any adjourned meeting thereof (as the case may be), all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m., Tuesday, 21 August 2018.
3. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one proxy or, if such member is a holder of more than one share of the Company, more than one proxy to attend and, to vote in his stead. A proxy need not be a member of the Company.
4. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be).
5. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any shares of the Company, any one of such holders may vote at the AGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the AGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holders.
7. All of the above resolutions will be voted by way of a poll at the AGM.
8. **In token of the Company's appreciation of your support and to facilitate the AGM to proceed smoothly, the shareholders or proxies or corporate representatives who attend the AGM in person will each receive ONE souvenir and ONE complimentary take-away light refreshment box after the conclusion of the AGM. If a shareholder is also appointed as proxy/proxies of other shareholder(s), or a proxy represents multiple shareholders, the number of souvenir and refreshment box each of the aforesaid shareholder or proxy or corporate representative will receive is limited to ONE.**