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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 SHARE PREMIUM REDUCTION

The Board intends to put forward for approval by the Shareholders at the AGM a proposal to reduce the share premium of the Company. The Proposed Share Premium Reduction involves a reduction of the amount of approximately HK\$1,121 million standing to the credit of the Share Premium Account as at the Effective Date and transferring the credit arising therefrom to the Contributed Surplus Account.

The Proposed Share Premium Reduction is conditional upon, among others, the Shareholders passing a special resolution to approve the Proposed Share Premium Reduction.

A circular containing, inter alia, further details of the Proposed Share Premium Reduction and a notice to convene the AGM will be despatched to the Shareholders in due course in accordance with the Listing Rules.

PROPOSED SHARE PREMIUM REDUCTION

The Board intends to put forward to the Shareholders a proposal to reduce the share premium of the Company pursuant to the laws of Bermuda and the Bye-laws. The amount standing to the credit of the Share Premium Account as at 31 March 2026, based on the audited consolidated financial statements of the Company, was approximately HK\$1,121 million.

It is proposed that an amount of approximately HK\$1,121 million standing to the credit of the Share Premium Account as at the Effective Date be reduced in accordance with section 46 of the Companies Act and Bye-law 6 of the Bye-laws and that the credit arising therefrom be transferred to the Contributed Surplus Account, subject to the conditions set out in the section headed “Conditions of the Proposed Share Premium Reduction” in this announcement.

Conditions of the Proposed Share Premium Reduction

The Proposed Share Premium Reduction will be conditional upon:

- (a) the passing of a special resolution by the Shareholders at the AGM to approve the Proposed Share Premium Reduction; and
- (b) the compliance with section 46(2) of the Companies Act to effect the Proposed Share Premium Reduction, including the Directors having been satisfied that on the Effective Date, there are no reasonable grounds for believing the Company is or after the Proposed Share Premium Reduction would be unable to pay its liabilities as they become due.

Expected Effective Date of the Proposed Share Premium Reduction

Subject to the fulfillment of the above conditions, it is expected that the Proposed Share Premium Reduction shall become effective on the business day immediately following the date of passing of the special resolution to approve the Proposed Share Premium Reduction at the AGM.

Reasons for and Benefits of the Proposed Share Premium Reduction

The Proposed Share Premium Reduction will bring the Company to a position that might permit payment of dividends if and when the Company's financial position allows and the Board considers appropriate in the future in accordance with the applicable laws of Bermuda, although there is no guarantee that dividends will be declared or paid upon the Proposed Share Premium Reduction becoming effective or at any time in the future. The Board believes that the Proposed Share Premium Reduction is in the best interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should also be aware that there is no assurance that a dividend will be declared or paid in the future even if the Proposed Share Premium Reduction has become effective.

Pursuant to the Companies Act and the Bye-laws, subject to satisfaction of the Solvency Test, the Company may pay dividends or make distributions to its members out of the Contributed Surplus Account. The Proposed Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company, thereby allowing the greater flexibility of the Company in its dividend policy and making distributions to the Shareholders in the future.

Effects of the Proposed Share Premium Reduction

The Proposed Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the expenses to be incurred in relation to the Proposed Share Premium Reduction, the Board considers that the implementation of the Proposed Share Premium Reduction will not, in itself, have a material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders in the underlying assets of the Company.

The Directors are of the view that there are no reasonable grounds for believing that the Company is, or after the Proposed Share Premium Reduction becoming effective would be, unable to pay its liabilities as they become due.

In view of the above, the Directors consider that the Proposed Share Premium Reduction is beneficial to the Company and its Shareholders as a whole.

GENERAL

As no Shareholder has an interest in the Proposed Share Premium Reduction which is different from other Shareholders, no Shareholder is required to abstain from voting on the special resolution to consider and approve the Proposed Share Premium Reduction at the AGM.

A circular of the Company containing, inter alia, further details of the Proposed Share Premium Reduction and a notice convening the AGM for the purpose of considering (among other things) and, if thought fit, passing the special resolution to approve the Proposed Share Premium Reduction will be despatched to the Shareholders in due course in accordance with the Listing Rules.

Shareholders and potential investors should also be aware of and take note that the Proposed Share Premium Reduction is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Proposed Share Premium Reduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“AGM”	the annual general meeting of the Company to be convened and held, among other things, to consider and, if thought fit, approve the Proposed Share Premium Reduction
“Board”	the board of Directors
“Bye-Law(s)”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“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 whose shares are listed on the main board of the Stock Exchange (Stock Code: 897)
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Directors”	the directors of the Company
“Effective Date”	the date on which the Proposed Share Premium Reduction shall become effective, being the business day immediately following the date of the AGM at which the relevant special resolution approving the Proposed Share Premium Reduction will be considered by the Shareholders, subject to the fulfillment of certain conditions
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Proposed Share Premium Reduction”	the proposed reduction of approximately HK\$1,121 million standing to the credit of the share premium account of the Company, as more particularly set out under the section headed “Proposed Share Premium Reduction” of this announcement

“Shareholders”	the registered holders of the Shares
“Share Premium Account”	the share premium account of the Company
“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Solvency Test”	(a) the Company is, or would after the payment of dividend be, able to pay its liabilities as they become due; and (b) the realisable value of the Company’s assets would not thereby be less than its liabilities

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 and Executive Director

Hong Kong, 10 July 2026

As at the date of this announcement, the Board comprises Mr. Tang Ching Ho, Ms. Tang Wai Man and Ms. Law Man Yee, Anita as executive Directors, and Mr. Li Ka Fai, David, Professor Sit Wing Hang and Professor Chan Wing Kwong as independent non-executive Directors.

* *For identification purposes only*