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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)

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 Rooms A & B, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 21 August 2012 at 11:00 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 auditors of the Company for the year ended 31 March 2012.
2. To re-elect the following retiring directors and to authorise the board of directors (the “Board” or “Directors”) to fix the remuneration of the Directors:
 - (i) Mr. Tang Ching Ho as an executive Director;
 - (ii) Mr. Leung Wai Ho as an independent non-executive Director; and
 - (iii) Mr. Siu Man Ho, Simon as an independent non-executive Director.
3. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and to authorise the Board to fix their remuneration.

* For identification purpose only

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 in the capital of the Company 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 aggregate share capital of the Company 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;

- (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 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 aggregate share capital 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 aggregate share capital 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;
- (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 aggregate share capital of the Company 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 share capital of the Company in issue at the date of the passing of this resolution.”

SPECIAL RESOLUTIONS

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

5. (A) **“THAT** the Bye-laws of the Company be amended as follows:

(a) Bye-law 1

The existing Bye-law 1 be amended by adding the following new definition immediately after the definition of “Statutes”:

““substantial shareholder” a person who is entitled to exercise, or control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”;

(b) Bye-law 3(3)

The existing Bye-law 3(3) be amended by deleting the existing Bye-law 3(3) in its entirety and substituting therefor the following:

“Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”;

(c) Bye-law 44

The existing Bye-law 44 be amended by deleting “on every business day” in the first sentence of the existing Bye-law 44 and replacing it with “during business hours”;

(d) Bye-law 46

The existing Bye-law 46 be amended by deleting the existing Bye-law 46 in its entirety and substituting therefor the following:

“Subject to these Bye-laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.”;

(e) Bye-law 66

- (i) The existing Bye-law 66 be renumbered as paragraph (1) of Bye-law 66 and amended by inserting the following words in the last line of the existing Bye-law 66 after the words “the vote of a meeting shall be decided by way of a poll”:

“, save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person or by proxy (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one (1) vote provided that where more than one (1) proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one (1) vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.”;

- (ii) The existing Bye-law 66 be amended by inserting the following as paragraph (2) of the existing Bye-law 66:

“(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.”;

(iii) The existing Bye-law 66 be amended by inserting the following as paragraph (3) of the existing Bye-law 66:

“A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”;

(f) Bye-law 67

The existing Bye-law 67 be amended by inserting the following sentence immediately before the first sentence of the existing Bye-law 67:

“Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”;

(g) Bye-law 84(2)

The existing Bye-law 84(2) be amended by inserting the words “including, where a show of hands is allowed, the right to vote individually on a show of hands” immediately after “in respect of the number and class of shares specified in the relevant authorisation” in the last line of the existing Bye-law 84(2);

(h) Bye-law 88

The existing Bye-law 88 be amended by deleting the existing Bye-law 88 in its entirety and substituting therefor the following:

“No person, other than a retiring Director shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless a Notice in writing signed by not less than 100 Members or by such Member(s) individually or collectively holding not less than one-twentieth of the then total paid up capital of the Company as at the date of such Notice carrying the

right of attending and voting at the general meeting of the Company for which such Notice is given of his intention to propose such person(s) for election and also a Notice signed by each person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the number of candidates to be nominated by the qualified Member individually or the group of qualified Members collectively for election at any general meeting shall be limited to two (2), subject to the maximum number of Directors of the Company, if any, and provided that the minimum length of the period during which such Notices are given shall be at least seven (7) days and the period for lodgment of such notices shall commence no earlier than the day after the despatch of such Notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

(i) Bye-law 92

The existing Bye-law 92 be amended by deleting the words “next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director” in the third sentence of Bye-law 92 and replacing it with “happening of any event which, if he were a Director, would cause him to vacate such office or if his appointer ceases for any reason to be a Director”;

(j) Bye-law 103(1)(iv)

The existing Bye-law 103(1)(iv) be amended by inserting the word “or” after the semi-colon at the end of sub-paragraph (iv) of the existing Bye-law 103(1)(iv);

(k) Bye-law 103(1)(v)

The existing Bye-law 103(1)(v) be amended by deleting the text of the existing Bye-law 103(1)(v) in its entirety and substituting therefor the words “Intentionally deleted”;

(l) Bye-law 103(2)

The existing Bye-law 103(2) be amended by deleting the text of the existing Bye-law 103(2) in its entirety and substituting therefor the words “Intentionally deleted”;

(m) Bye-law 103(3)

The existing Bye-law 103(3) be amended by deleting the text of the existing Bye-law 103(3) in its entirety and substituting therefor the words “Intentionally deleted”;

(n) Bye-law 122

The existing Bye-law 122 be amended by inserting the following sentence immediately after the end of the existing Bye-law 122:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”;

(o) Bye-law 132(3)

The existing Bye-law 132(3) be amended by deleting the words “on every business day” in the last line of the existing Bye-law 132(3) and replacing it with “during business hours”;

(p) Bye-law 138

The existing Bye-law 138 be amended by deleting the words “the aggregate of its liabilities and its issued share capital and share premium accounts” in the last line of Bye-law 138 after the words “the realisable value of its assets would thereby become less than” and substituting therefor words “its liabilities”; and

(q) Bye-law 160

The existing Bye-law 160 be amended by inserting the words “other than by posting it on a website” immediately after “The notice of availability may be given to the member by any of the means set out above” in the second-last sentence of the existing Bye-law 160.”

- (B) “**THAT**, subject to the passing of special resolution numbered 5(A) as set out in this notice, a new set of amended and restated bye-laws of the Company which consolidates all of the proposed amendments referred to in special resolution numbered 5(A) as set out in this notice and all previous amendments made pursuant to resolutions passed by members of the Company at general meetings, a copy of which has been produced at the meeting marked “A” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws with immediate effect.”

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, 17 July 2012

* For identification purpose only

Notes:

1. 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, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. 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, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, 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).
3. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the AGM or any adjustment 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.
4. 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 more 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.
5. All of the above resolutions will be voted by way of a poll at the AGM.

As at the date of this notice, the board of directors of the Company comprises three executive directors of the Company, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun, and four independent non-executive directors of the Company, namely Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Yuen Chi Choi and Mr. Cho Wing Mou.