

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer 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*) (the "Company") you should at once hand this circular, together with 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 transmission to the purchaser or 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)

**PROPOSALS FOR THE
GRANT OF GENERAL MANDATES TO ISSUE AND
TO REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalized terms used in this cover shall have the same meanings as those defined in this circular.

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, 25 August 2021 at 11.30 a.m. is set out on pages AGM-1 to AGM-6 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 deliver it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, 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 delivery 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 form of proxy previously submitted shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR PHYSICAL ATTENDANCE AT THE AGM

In view of the ongoing COVID-19 pandemic and in line with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, the Company will implement the following precautionary measures at the AGM venue to protect the attending Shareholders, staff and other stakeholders from the risk of infection:

- (1) compulsory temperature screening/checks;
- (2) wearing of surgical face mask; and
- (3) no provision of refreshments, drinks or souvenirs.

Attendees who do not comply with the precautionary measures referred to in (1) to (2) above may be denied entry to and be required to leave the AGM venue at the absolute discretion of the Company as permitted by Laws of Hong Kong.

The Company would like to advise all of the Shareholders may appoint any person or the chairman of the AGM as a proxy to attend and vote on the resolutions, instead of attending the AGM in person.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong Government and may be required to update the precautionary measures and change the AGM arrangements, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the AGM.

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DEFINITIONS

In this circular, the following words and expressions shall have the following meanings unless the context otherwise requires:

“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, 25 August 2021 at 11:30 a.m. or any adjournment thereof (as the case may be)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-Law(s)”	the existing bye-laws of the Company
“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, 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: 149), and a 53.37%-owned listed subsidiary of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 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 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

DEFINITIONS

“General Mandates”	the New Issue Mandate and the New Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“New Issue Mandate”	a proposed general and unconditional mandate to be granted to the Directors at the AGM to exercise the powers of the Company to allot, issue and deal with additional Shares and other securities during the prescribed period 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 proposed general and unconditional mandate to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares on the Stock Exchange during the prescribed period 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
“Notice of AGM”	notice convening the AGM as set out on pages AGM-1 to AGM-6 of this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the Notice of AGM

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“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 share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“WOG”	Wang On Group Limited (宏安集團有限公司)*, 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: 1222), and a controlling Shareholder and a holding company of the Company holding 65.79% equity interest in the Company
“WOG Group”	WOG and its subsidiaries together with parties acting in concert with it (as defined under the Takeovers Code)
“WOP”	Wang On Properties Limited 宏安地產有限公司, 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: 1243), and a 75.0%-owned listed subsidiary of WOG
“%”	per cent.



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, *GBS, JP*
(Chairman and Managing Director)
Ms. Tang Wai Man
Ms. Law Man Yee, Anita

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

*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

27 July 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR THE
GRANT OF GENERAL MANDATES TO ISSUE AND
TO REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the Notice of AGM and the information regarding the Ordinary Resolutions that will be proposed at the AGM for the Shareholders to consider and, if thought fit, to (i) grant the New Issue Mandate and the New Repurchase Mandate to issue and to repurchase Shares respectively to the Directors; and (ii) re-elect the retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the Company's last annual general meeting held on 24 August 2020, the Directors were granted (i) a general mandate to allot, issue and deal with Shares up to an aggregate number of not exceeding 20% of the total number of Shares in issue as at 24 August 2020 (equivalent to an aggregate of 246,328,577 Shares) (the "**2020 General Mandate**"); and (ii) a general mandate to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at 24 August 2020 (equivalent to an aggregate of 123,164,288 Shares) (the "**2020 Repurchase Mandate**").

As at the Latest Practicable Date, the 2020 General Mandate and the 2020 Repurchase Mandate had not been utilised and 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, Ordinary Resolutions will be proposed at the AGM providing that the Directors be granted the General Mandates. In addition, an Ordinary Resolution will also be proposed at the AGM providing that any Shares repurchased under the New Repurchase Mandate (up to a maximum of 10% of the total number of Shares in issue as at the date of the grant of the New Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the New Issue Mandate.

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 1,231,642,888 Shares. Subject to the passing of the resolution granting the New Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed (i) pursuant to the New Issue Mandate to allot, issue and deal with 246,328,577 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 123,164,288 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.

Each of the General Mandates will continue in force 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 any applicable law of Bermuda or the Bye-Laws to be held; or
- (iii) the date on which any such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

An explanatory statement as required under the Listing Rules to be given to the Shareholders is set out in Appendix I to this circular. The information in the explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant the Directors the New Repurchase Mandate.

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consists of seven Directors, namely Mr. Tang Ching Ho, Ms. Tang Wai Man, Ms. Law Man Yee, Anita, as executive Directors, Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Cho Wing Mou and Mr. Li Ka Fai, David, as independent non-executive Directors.

In accordance with Bye-Laws 87(1), Ms. Tang Wai Man, Mr. Siu Man Ho, Simon and Mr. Cho Wing Mou shall retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM. Each of Mr. Siu Man Ho, Simon and Mr. Cho Wing Mou had served the Company as independent non-executive Directors 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. Siu and Mr. Cho can independently express opinions on the affairs and contribute to the growth of the Group for the reason that each of Mr. Siu and Mr. Cho have been continuously meeting the independence guidelines set out in Rule 3.13 of the Listing Rules and have not involved in any daily operations and management of the Group. In addition, Mr. Siu and Mr. Cho always make objective and constructive advice to the development of the Group and have given independent yet informed guidance to the Company leveraging on their expertise and experience from their diversified background and professional experience through their active participation in discussion at Board and various committee meetings. The demonstration of their firm commitments to their independent roles are highly recognised by the nomination committee of the Company and the Board and it is believed that the long service of Mr Siu and Mr. Cho will not affect the exercise of their independent judgement.

On 8 February 2021, Ms. Law Man Yee, Anita was appointed as executive Director. In accordance with Bye-Law 86(2), Ms. Law Man Yee, Anita shall retire from office and, being eligible, will offer herself for re-election at the AGM.

Biographical details of the retiring Directors who offer themselves for re-election 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 after the printing of this circular, the Company will issue an announcement and/or a supplementary circular to inform Shareholders of the details of the additional candidate(s) proposed.

LETTER FROM THE BOARD

4. THE AGM

The Notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular.

At the AGM, resolutions will be proposed to, inter alia:

- (i) receive, consider and adopt the audited consolidated financial statements of the Company, the report of the Directors and the report of Ernst & Young, the independent auditor of the Company (the “**Auditor**”), for the year ended 31 March 2021;
- (ii)
 - (a) re-elect Ms. Tang Wai Man as an executive Director;
 - (b) re-elect Mr. Siu Man Ho, Simon as an independent non-executive Director;
 - (c) re-elect Mr. Cho Wing Mou as an independent non-executive Director;
 - (d) re-elect Ms. Law Man Yee, Anita as an executive Director;
 - (e) authorise the Board to fix the Directors’ remuneration;
- (iii) re-appoint the Auditor and to authorise the Board to fix their remuneration;
- (iv) grant the New Issue Mandate;
- (v) grant the New Repurchase Mandate; and
- (vi) extend the New Issue Mandate by adding to it the number of Shares repurchased under the New Repurchase Mandate.

In accordance with Rule 13.39(4) of the Listing Rules, all the resolutions proposed at the AGM will be taken by way of a poll and an announcement in respect of the poll results will be published by the Company on the websites of the Stock Exchange and the Company respectively in the manner prescribed under Rule 13.39(5) of the Listing Rules after the AGM.

LETTER FROM THE BOARD

A form of proxy is enclosed with this circular for use at the AGM. You are requested to complete and deliver the form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and delivery of a 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 form of proxy shall be deemed to be revoked.

5. 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 misleading.

6. RECOMMENDATION

The Directors believe that (i) the grant of the General Mandates and the extension of the New Issue Mandate; and (ii) the proposed re-election of the retiring Directors, are all in the interests of the Company and the Shareholders as a whole, and recommend you to vote in favour of the resolutions as set out in the Notice of AGM.

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

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

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 1,231,642,888 Shares in issue and there was no outstanding share options granted under 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, or any outstanding convertible notes or options carrying the rights to subscribe for any Share.

Subject to the passing of the resolution granting the New Repurchase Mandate and on the basis that no further Shares are or will be issued and/or repurchased by the Company following the Latest Practicable Date and up to the date of the AGM, the Directors will be authorised to repurchase a maximum of 123,164,288 Shares pursuant to the New Repurchase Mandate.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek the New Repurchase Mandate from the Shareholders. Such repurchase 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 repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the New Repurchase Mandate would be funded from the Company's available cash flow or working capital facilities legally available for the purpose in accordance with the Company's memorandum of association, the Bye-Laws, the applicable laws and regulations of Bermuda and other applicable laws.

There will not be any material adverse impact on the working capital or gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements set out in the annual report of the Company for the year ended 31 March 2021, in the event that the New Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

Month	Per Share	
	Highest trading price HK\$	Lowest trading price HK\$
2020		
July	0.300	0.250
August	0.290	0.255
September	0.340	0.260
October	0.300	0.250
November	0.400	0.255
December	0.430	0.375
2021		
January	0.420	0.340
February	0.370	0.335
March	0.380	0.310
April	0.335	0.280
May	0.325	0.300
June	0.395	0.295
July (up to and including the Latest Practicable Date)	0.360	0.295

5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company, if the New Repurchase Mandate is approved by the Shareholders.

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

The Company has not been notified by any core connected person (as defined in the Listing Rules) that such person has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the New Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If, as a result of a repurchase of 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 purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, (i) WOG Group, the controlling shareholder, was interested or deemed to be interested in approximately 65.79% 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 approximately 46.71% interest in WOG and thus he and his associates are also deemed to be interested in approximately 65.79% 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 WOG Group, Mr. Tang Ching Ho and parties acting in concert with any of them, in the Company will increase to approximately 73.1% 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.

The Directors have no present intention to exercise the New Repurchase Mandate to such an extent as would trigger the obligation under Rule 26 of the Takeovers Code to make a mandatory offer nor to such extent as to reduce the amount of Shares held by the public to less than 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

The biographical details of the retiring Directors, and being eligible for re-election at the AGM are set out below:

Ms. Tang Wai Man, Executive Director

Ms. Tang Wai Man (“**Ms. Tang**”), aged 30, joined the Group in January 2016 and was appointed as an executive Director on 1 April 2018. She is an authorized representative of the Company under Part 16 of the Companies Ordinance and also a member of the executive committee, the nomination committee and the remuneration committee of the Company. She is a director of several subsidiaries of the Group. Ms. Tang is responsible for sales and marketing, channel sales and retail operation in Hong Kong and Macau of the Group. She graduated from University of Edinburgh, United Kingdom with a Master of Arts with Honors in Business Studies. Prior to joining the Group, she has worked for WOG since July 2014 as an assistant to the chairman and other experience in financial analysis, sales and marketing and business development in a number of corporate bodies in Hong Kong and the United Kingdom. She is the daughter of Mr. Tang Ching Ho, the Chairman and Managing Director and a controlling shareholder of the Company.

Pursuant to a service agreement entered into between Ms. Tang and the Company, she is entitled to an annual remuneration of HK\$1,050,000 with regard to her duties and responsibilities. She is also entitled to a performance bonus at the discretion of the Board and the remuneration committee of the Company with reference to the Company’s performance and the prevailing practice in the industry. The term of Ms. Tang’s appointment is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws.

As at the Latest Practicable Date and save as disclosed above, Ms. Tang (i) did not hold any other directorships in any listed public companies in the last three years; (ii) does not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Directors are not aware of any other matters regarding the proposed re-election of Ms. Tang that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Siu Man Ho, Simon, Independent Non-executive Director

Mr. Siu Man Ho, Simon (“**Mr. Siu**”), aged 47, 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 (stock code: 1008), 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 an independent non-executive director of Weiye Holdings Limited (stock code: 1570) with effect from March 2016 and resigned from the position in December 2018.

Mr. Siu has entered into a letter of appointment with the Company. 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 retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws.

As at the Latest Practicable Date and save as disclosed above, Mr. Siu (i) did not hold any other directorships in any listed public companies in the last three years; (ii) does not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Siu that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Cho Wing Mou, Independent Non-executive Director

Mr. Cho Wing Mou (“**Mr. Cho**”), aged 80, 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 the nomination committee of the Company. Mr. Cho was formerly a director and deputy general manager of Hua Chiao Commercial Bank Limited and a deputy general manager of The China State Bank Limited. He was a committee member of the 8th Political Consultative Conference Guangxi and is also a committee member of the 4th plenary session of the Guangxi Yulin Committee of the Chinese People’s Political Consultative Conference (“**CPPCC**”), Life Chairman of Hong Kong Guangxi Yulin Friendship Association, the Life Chairman and the advisor of Hong Kong Guangxi Yulin City CPPCC and Life Chairman of Gee Tuck General Association Hong Kong Limited.

Mr. Cho has entered into a letter of appointment with the Company. In accordance with the terms of the letter of appointment, Mr. Cho 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. Cho’s appointment is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws.

As at the Latest Practicable Date and save as disclosed above, Mr. Cho (i) did not hold any other directorships in any listed public companies in the last three years; (ii) does not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Directors are not aware of any other matters regarding the proposed re-election of Mr. Cho that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Ms. Law Man Yee, Anita, Executive Director

Ms. Law Man Yee, Anita (“**Ms. Law**”), aged 58, joined the Group in 2004 and is the Assistant General Manager – Purchasing Processing of the Group. She was appointed as an executive Director and a member of the executive committee of the Company on 8 February 2021. Ms. Law is responsible for overall strategic planning, sales and marketing, raw material sourcing and retail operation in Hong Kong, Macau and the Mainland China. She has extensive experience in pharmaceutical industry covering strategic planning, sales and marketing, new products development and production management.

APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS

Pursuant to a service agreement entered into between Ms. Law and the Company on 8 February 2021, Ms. Law was appointed as executive Director for a term of three years commencing from 8 February 2021 and is entitled to an annual remuneration of approximately HK\$480,000 with regard to her duties and responsibilities. She is also entitled to a performance bonus at the discretion of the remuneration committee of the Company and the Board with reference to the Company's performance and the prevailing practice in the industry. The term of Ms. Law's appointment is subject to retirement by rotation at least once every three years and re-election in accordance with the Bye-Laws.

As at the Latest Practicable Date and save as disclosed above, Ms. Law (i) did not hold any other directorships in any listed public companies in the last three years; (ii) does not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iii) did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Directors are not aware of any other matters regarding the proposed re-election of Ms. Law that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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 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, 25 August 2021, at 11:30 a.m. (the “**AGM**”) for the following purposes:

ORDINARY BUSINESSES

1. To receive, consider and adopt the audited consolidated financial statements of the Company, the report of the directors of the Company (individually, a “**Director**” and collectively, the “**Directors**”) and the report of the independent auditor of the Company (the “**Auditor**”) for the year ended 31 March 2021.
2. To re-elect the following retiring Directors:
 - (i) Ms. Tang Wai Man as an executive Director;
 - (ii) Mr. Siu Man Ho, Simon as an independent non-executive Director;
 - (iii) Mr. Cho Wing Mou as an independent non-executive Director;
 - (iv) Ms. Law Man Yee, Anita as an executive Director; and
 - (v) to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as the Auditor and to authorise the Board to fix their remuneration.

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SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

4. (A) “**THAT**
- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereafter defined of this resolution) of all the powers of the Company to allot, issue, grant, distribute, dispose of and otherwise deal with additional shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”), and to make, issue or grant offers, agreements and options (including bonds, warrants, notes, 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) of this resolution 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, notes, 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;
 - (c) the aggregate number of Shares allotted, issued, granted, distributed, disposed of or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed, disposed of or otherwise dealt with (whether pursuant to an option, a conversion or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereafter defined); or
 - (ii) an exercise of any option granted under any share option scheme ; or
 - (iii) any scrip dividend or other 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 of the Company in force from time to time (the “**Bye-Laws**”); or

NOTICE OF THE AGM

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

shall not exceed the aggregate of (aa) 20% of the total number of Shares in issue at the date of the passing of this resolution; and (bb) (if the Directors are so authorized 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 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 the Bye-Laws or any applicable law of Bermuda to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company (the **“Shareholders”**) in general meeting.

“Rights Issue” means an offer of Shares or an issue of options, warrants or other securities of the Company giving the right to subscribe for 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 any stock exchange in, any territory outside Hong Kong).

NOTICE OF THE AGM

(B) “THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below of this resolution) of all the powers of the Company to repurchase Shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of Shares in issue as at the date of passing 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 Bye-Laws or any applicable laws of Bermuda to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.”

NOTICE OF THE AGM

- (C) “**THAT** conditional upon resolution 4(A) and resolution 4(B) as set out in this notice of the AGM dated 27 July 2021 (the “**AGM Notice**”) being passed, the aggregate number of Shares which are repurchased by the Company under the authority granted pursuant to resolution 4(B) as set out in the AGM Notice (up to a maximum of 10% of the total number of Shares in issue as at the date of passing of resolution 4(B) as set out in the AGM Notice) shall be added to the total number of Shares that may be allotted and issued or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution 4(A) as set out in the AGM Notice.”

By Order of the Board
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Cheung Chin Wa Angus
Company Secretary

Hong Kong, 27 July 2021

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

Notes:

- (1) The register of members of the Company will be closed from Thursday, 19 August 2021 to Wednesday, 25 August 2021 (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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m., on Wednesday, 18 August 2021.
- (2) A member entitled to attend and vote at the AGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote on his/her behalf. A proxy needs not be a member of the Company.

* *For identification purpose only*

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- (3) A form of proxy for use at the AGM is enclosed with the circular of the Company to the Shareholders dated 27 July 2021. In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of attorney, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish and in such event the form of proxy shall be deemed to be revoked.
- (4) In the case of joint holders of any Shares, any one of such joint holders may vote at the AGM, either in person 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 in person or by proxy, the person whose name stands first in the register of members of the Company in respect of the joint holding shall be accepted to the exclusion of the votes of the other joint holders.
- (5) An explanatory statement regarding the general mandate for the repurchase of Shares sought in resolution 4(B) (as set out in the AGM Notice) is set out in appendix I to the circular of the Company dated 27 July 2021 to the Shareholders of which this notice forms part.
- (6) All of the above resolutions will be voted by way of a poll at the AGM.
- (7) The Chinese language version of this notice is translated from the English version. In the event of any discrepancies or conflicts between the contents of the Chinese version and the English version of this notice, the English version shall prevail.