

**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)

### PROPOSALS ON 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 of 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 30 August 2019 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 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 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 of 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Friday, 30 August 2019 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
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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 People’s Republic of China
“Latest Practicable Date”	25 July 2019, 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)”	outstanding share option(s) granted to the entitled persons to subscribe for Share(s) under the share option scheme adopted by the Company on 18 September 2003 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 58.08% 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.

\* *For identification purpose only*



**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

31 July 2019

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

Dear Sir or Madam,

**PROPOSALS ON  
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 2018, 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 2018 (equivalent to an aggregate of 253,028,577 Shares) (the "**2018 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 2018 (equivalent to an aggregate of 126,514,288 Shares) (the "**2018 Repurchase Mandate**").

As at the Latest Practicable Date, the 2018 General Mandate had not been utilised and refreshed. An aggregate of 33.5 million Shares were repurchased under the 2018 Repurchase Mandate during the period from 24 September 2018 to 2 October 2018. Save as disclosed above, the remaining 2018 General Mandate and the 2018 Repurchase Mandate 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 1,231,642,888. 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 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.

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 the 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, Mr. Chan Chun Hong, Thomas, Mr. Cho Wing Mou and Mr. Li Ka Fai, David will retire as Directors by rotation at the AGM and, being eligible, offer themselves for re-election.

Mr. Cho Wing Mou 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, his further appointment as an independent non-executive Director should be subject to a separate resolution to be approved by the Shareholders. Nonetheless, the Company believes that Mr. Cho can independently express opinions on the affairs and contribute to the growth of the Group for the reason that Mr. Cho 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. In addition, Mr. Cho always makes objective and constructive advice to the development of the Group and has given independent yet informed guidance to the Company leveraging on his expertise and experience from his diversified background and professional experience in banking and finance aspects through his active participation in discussion at Board and various committee meetings. The demonstration of his firm commitment to his independent role is highly recognised by the nomination committee of the Company and the Board and it is believed that the long service of Mr. Cho will not affect the exercise of his independent judgement.

Apart from the Company, Mr. Li is holding more than six company directorship in Hong Kong listed companies as independent non-executive director. Mr. Li, who is the chairman of the audit committee of the Company and an expertise in accounting profession with extensive experience, brought his constructive comments and opinions to the Board for financial management and promoting the best interests of the Company and the Shareholders from time to time. He had attended all the Board, audit committee and general meetings held by the Company. Mr. Li had disclosed to the Company the number and nature of offices held in public companies or organisations and other significant commitments with time involved. The nomination committee of the Company and the Board, having considered the nature of his other offices and commitments and the high level of participation as demonstrated by his attendance at Board, audit committee and general meetings of the Company, is satisfied that Mr. Li has allocated and will continue to allocate sufficient time to discharge his duties of independent non-executive Director.

Biographical details of each of Mr. Chan Chun Hong, Thomas, Mr. Cho Wing Mou and Mr. Li Ka Fai, David 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



## LETTER FROM THE BOARD

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 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 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

*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 1,231,642,888, and there was 17,238 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 17,238 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 123,164,288 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 1,231,660,126 and the Directors will be authorised to repurchase up to a maximum of 123,166,012 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 2019 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 58.1% 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 55.9% interest in Wang On and thus he and his associates are also deemed to be interested in 58.1% 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 64.5% 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 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 during each of the last 12 months and up to the Latest Practicable Date were as follows:

Month	Price per Share	
	Highest HK\$	Lowest HK\$
<b>2018</b>		
July	0.300	0.270
August	0.285	0.203
September	0.315	0.212
October	0.315	0.223
November	0.290	0.236
December	0.255	0.236
<b>2019</b>		
January	0.290	0.236
February	0.270	0.245
March	0.270	0.245
April	0.260	0.241
May	0.248	0.211
June	0.250	0.215
July (up to and including the Latest Practicable Date)	0.320	0.232

*The biographical details of Mr. Chan Chun Hong, Thomas, Mr. Cho Wing Mou and Mr. Li Ka Fai, David who are proposed, and being eligible, to be re-elected at the AGM are set out as follows:*

### EXECUTIVE DIRECTOR

**Mr. Chan Chun Hong, Thomas**, aged 55, was appointed as the Managing Director in August 2001 and was re-designed as an executive Director with effect from 1 April 2018. He is also an authorised representative and a member of the executive committee of the Company. He is responsible for managing the corporate matters of the Group. He is also the managing director of Wang On, the non-executive chairman of Wang On Properties Limited (stock code: 1243), the chairman and managing director of Easy One Financial Limited (stock code: 221), the chairman and chief executive officer of China Agri-Products Exchange Limited (stock code: 149), all companies are listed on the Main Board of the Stock Exchange. He graduated from the Hong Kong Polytechnic University with a degree in Accountancy and is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Save as disclosed above, Mr. Chan did not hold any other directorship in listed companies in the past three years preceding the Latest Practicable Date.

Pursuant to the service contract entered into between the Company and Mr. Chan, he is entitled to a remuneration of approximately HK\$0.7 million per annum and a bonus at the discretion of the Board by reference to the Company's performance and the prevailing practice in the industry. The term of Mr. Chan'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. Chan 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 Mr. Chan 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. Chan that needs to be brought to the attention of the Shareholders.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Cho Wing Mou**, aged 78, 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 CPPCC, Life Chairman of Hong Kong Guangxi Yulin Friendship Association and Life Chairman of Gee Tuck General Association Hong Kong Limited.

Mr. Cho 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. 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 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. Cho 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. Cho 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. Cho that needs to be brought to the attention of the Shareholders.

**Mr. Li Ka Fai, David**, aged 64, joined the Company as an independent non-executive Director on 17 March 2015. He is the chairman of the audit committee of the Company. Mr. Li is currently the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). He is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, U.K., as well as The Institute of Chartered Accountants in England and Wales. Mr. Li is an independent non-executive director and the chairman of the audit committee of Shanghai Industrial Urban Development Group Limited (stock code: 563). Mr. Li is also an independent non-executive director, the chairman of the audit committee, member of the nomination committee and member of the remuneration committee of China-Hongkong Photo Products Holdings Limited (stock code: 1123), Cosmopolitan International Holdings Limited (stock code: 120) and Goldlion Holdings Limited (stock code: 533), an independent non-executive director, member of the audit committee, member of the nomination committee and the chairman of the remuneration committee of China Merchants Port Holdings Company Limited (stock code: 144), and an independent non-executive director, member of the audit committee and member of the remuneration committee of AVIC International Holding (HK) Limited (stock code: 232), all of such companies are being listed in Hong Kong. Save as disclosed above, Mr. Li did not hold any other directorship in listed companies in the past three years preceding the Latest Practicable Date.

Mr. Li 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. Li 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\$60,000 per annum determined with reference to his duties as a member of the audit committee of the Company. The term of Mr. Li'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. Li 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. Li 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. Li 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 of 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Friday, 30 August 2019 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 2019.
2. To re-elect the following retiring directors:
  - (i) Mr. Chan Chun Hong, Thomas as an executive director of the Company;
  - (ii) Mr. Cho Wing Mou as an independent non-executive director of the Company;
  - (iii) Mr. Li Ka Fai, David 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 auditor 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 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 date of 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

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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 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 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 date of 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

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“**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 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, 31 July 2019

*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. A form of proxy for use at the AGM is enclosed.
2. The register of members of the Company will be closed from Monday, 26 August 2019 to Friday, 30 August 2019 (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

\* *For identification purpose only*

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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., Friday, 23 August 2019.

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 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).
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.**