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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)

### POLL RESULTS OF SPECIAL GENERAL MEETING HELD ON 21 SEPTEMBER 2010; CAPITAL REORGANISATION; RIGHTS ISSUE (WITH BONUS ISSUE) AND ADJUSTMENTS TO SHARE OPTIONS

#### RESULTS OF SGM

The Board is pleased to announce that all proposed resolutions set out in the SGM Notice were duly passed by the Shareholders or the Independent Shareholders (as the case may be) at the SGM held on 21 September 2010 by way of poll.

#### CAPITAL REORGANISATION

As all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation became effective at 5:00 p.m. on 21 September 2010. Upon the Capital Reorganisation becoming effective, new share certificates of the Adjusted Shares in the colour of purple will be issued and available for exchange of the existing share certificates from 22 September 2010.

#### RIGHTS ISSUE (WITH THE BONUS ISSUE)

The Rights Issue (with the Bonus Issue) is conditional upon the fulfillment of the conditions set out in the section headed "Conditions of the Rights Issue and the Bonus Issue" in the "Letter from the Board" in the Circular. **If the conditions of the Rights Issue are not fulfilled or if the Underwriter exercises its right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.**

\* For identification purpose only

## **ADJUSTMENTS TO SHARE OPTIONS**

Pursuant to the terms and conditions of the Share Option Scheme, there will be Share Option Adjustments following the Capital Reorganisation becoming effective at 5:00 p.m. on 21 September 2010. The independent financial adviser of the Company has reviewed and confirmed in writing the Share Option Adjustments.

Reference is made to (i) the joint announcement published by Wai Yuen Tong Medicine Holdings Limited (the “**Company**”) and Wang On Group Limited (“**Wang On**”) dated 9 August 2010; and (ii) the circular of the Company dated 27 August 2010 (the “**Circular**”) containing the notice dated 27 August 2010 (the “**SGM Notice**”) convening the SGM held on 21 September 2010 in relation to, among other things, the Capital Reorganisation, the Rights Issue (with the Bonus Issue) and the Acquisition. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless otherwise defined.

## **RESULTS OF THE SGM**

The board of directors (the “**Board**” or the “**Directors**”) of the Company is pleased to announce that the resolutions set out in the SGM Notice to approve the Capital Reorganisation, the Rights Issue, the Bonus Issue and the Acquisition were duly passed by the Shareholders or the Shareholders other than Wang On and its associates (the “**Independent Shareholders**”) (as the case may be) at the SGM held on 21 September 2010 by way of poll.

Ms. Tang, who was the only Director interested in the Share Options, did not exercise any of her Share Options prior to the SGM and did not hold any Shares as at the date of the SGM. As at the date of the SGM, the total number of Shares in issue was 7,271,939,188 Shares which was the total number of Shares entitling the holders to attend and vote for or against the resolutions numbered (1) to (3) set out in the SGM Notice in respect of the Capital Reorganisation, the Rights Issue and the Bonus Issue.

As stated in the Circular, Wang On and its associates, which held 527,009,324 Shares, representing approximately 7.25% of the issued Shares, are required to abstain from voting on the resolution numbered (4) set out in the SGM Notice in respect of the Acquisition. Accordingly, the total number of Shares entitling the holders thereof to attend and vote at the SGM for or against the resolution numbered (4) in relation to the Acquisition was 6,744,929,864 Shares, representing approximately 92.75% of the total issued Shares. The Board confirmed that the Independent Shareholders had abstained from voting on the resolution numbered (4) in respect of the Acquisition. Save as disclosed herein, no Shareholder or Independent Shareholders (as the case may be) was entitled to attend and vote only against the resolutions at the SGM, nor did any Shareholder or Independent Shareholders (as the case may be) state their intention in the Circular to vote against the resolutions.

The poll results in respect of the resolutions set forth in the SGM Notice are as follows:

<b>Special resolution set forth in the SGM Notice</b>	<b>Number of Shares (Approximate %)</b>	
	<b>For</b>	<b>Against</b>
1. To approve the Capital Reorganisation.	1,285,453,540 (98.49%)	19,743,040 (1.51%)
As more than 75% of the votes were cast in favour of the above resolution, the above resolution was duly passed as a special resolution of the Company.		

<b>Ordinary resolutions set forth in the SGM Notice</b>	<b>Number of Shares (Approximate %)</b>	
	<b>For</b>	<b>Against</b>
2. To approve the Rights Issue.	1,285,453,540 (98.49%)	19,743,040 (1.51%)
3. To approve the Bonus Issue.	1,285,453,540 (98.49%)	19,743,040 (1.51%)
4. To approve the Acquisition.	758,444,216 (97.46%)	19,743,040 (2.54%)
As more than 50% of the votes were cast in favour of the above resolutions, the above resolutions were duly passed as ordinary resolutions of the Company.		

*Note: The full text of the above resolutions is set out in the SGM Notice.*

Tricor Secretaries Limited, the branch share registrar and transfer office of the Company in Hong Kong, was appointed as the scrutineer for the vote-taking at the SGM.

## **CAPITAL REORGANISATION**

As all the conditions of the Capital Reorganisation have been fulfilled, the Capital Reorganisation became effective at 5:00 p.m. on 21 September 2010. Upon the Capital Reorganisation becoming effective, new share certificates of the Adjusted Shares in the colour of purple will be issued and available for exchange of the existing share certificates of the existing Shares which are in the colour of yellow in accordance with the arrangement set out in the Circular.

## **WARNING OF THE RISKS OF DEALINGS IN THE ADJUSTED SHARES**

The Rights Issue (with the Bonus Issue) is conditional upon the fulfillment of the conditions set out in the section headed “Conditions of the Rights Issue and the Bonus Issue” in the “Letter from the Board” in the Circular. **If the conditions of the Rights Issue are not fulfilled or if the Underwriter exercises its right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.** The Company will make further announcement upon the Rights Issue becoming unconditional advising the results of the Rights Issue.

The Adjusted Shares will be dealt in on ex-rights basis from 28 September 2010. **Any persons contemplating buying or selling Adjusted Shares from the date of this announcement bear the risk that the Rights Issue may not become unconditional or may not proceed and are recommended to consult their own professional advisers.**

## **ADJUSTMENTS TO THE SHARE OPTIONS**

Pursuant to the terms and conditions of the Share Option Scheme, Rule 17.03 of the Listing Rules and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to adjustments to share option schemes, the exercise prices of the Share Options and the number of Adjusted Shares otherwise to be allotted and issued upon exercise of all the subscription rights attaching to the outstanding adjusted Share Options shall be adjusted following the Capital Reorganisation becoming effective at 5:00 p.m. on 21 September 2010 (the “**Share Option Adjustments**”) in the following manner:

Date of Grant	Exercisable Period	Before the Capital Reorganisation becoming effective	Exercise price per Share Option (HK\$)	Upon of the Capital Reorganisation becoming effective	Adjusted exercise price per Share Option (HK\$)
		Number of Shares which would otherwise fall to be issued upon exercise of the outstanding Share Options		Number of Adjusted Shares which would otherwise fall to be issued upon exercise of the outstanding Share Options	
3/1/2007	2/1/2008 — 1/1/2012 <sup>#</sup>	3,280,000	0.415	131,200	10.375
2/1/2008	2/1/2009 — 1/1/2013 <sup>#</sup>	4,590,000	0.226	183,600	5.650
8/1/2009	8/1/2010 — 7/1/2019 <sup>#</sup>	6,050,000	0.145	242,000	3.625
12/5/2010	12/5/2011 — 11/5/2020 <sup>#</sup>	8,450,000	0.052	338,000	1.300

# The Share Options granted under the Share Option Scheme were vested as follows:

On 1st anniversary of the date of grant: 30% vest  
On 2nd anniversary of the date of grant: further 30% vest  
On 3rd anniversary of the date of grant: remaining 40% vest

The independent financial adviser of the Company has reviewed the Share Option Adjustments and confirmed in writing that they are in accordance with the provisions of the Share Option Scheme and the appendix of and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to adjustments to share option schemes.

By Order of the Board  
**Wai Yuen Tong Medicine Holdings Limited**  
(位元堂藥業控股有限公司\*)  
**Chan Chun Hong, Thomas**  
*Managing Director*

Hong Kong, 21 September 2010

As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Ms. Tang Mui Fun and the independent non-executive Directors are Mr. Leung Wai Ho, Mr. Siu Man Ho, Simon, Mr. Yuen Chi Choi and Mr. Cho Wing Mou.

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