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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 the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the 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 FOR
GRANT OF NEW ISSUE MANDATE AND REPURCHASE MANDATE,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of the Company to be held at Garden Rooms A & B, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 26 August 2009 at 11:00 a.m. is set out on pages 29 to 42 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the AGM. Completion and return 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 instrument appointing a proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise specifies, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Garden Rooms A & B, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 26 August 2009 at 11:00 a.m. or at any adjournment thereof (as the case may be)
“Announcement”	the announcement of the Company dated 11 May 2009 in respect of the Placing
“associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Code”	the Hong Kong Code on Takeovers and Mergers
“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 the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 July 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

* For identification purpose only

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting the New Issue Mandate (such mandate to be extended and added by the number of Shares, if any, repurchased by the Company since the grant of the New Issue Mandate)
“Placing”	including top-up placing of 165,000,000 existing Shares and placing of 237,000,000 new Shares under the 2008 General Mandate, details of which are set out in the Announcement
“PRC”	the People’s Republic of China and for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors 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 aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Options”	the options to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Shareholders at the special general meeting of the Company held on 18 September 2003
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Wang On Group”	Wang On Group Limited (宏安集團有限公司)*, the substantial shareholder of the Company and the shares of which are listed on the main board of the Stock Exchange, and its subsidiaries
“%”	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 (*Chairman*)
Mr. Chan Chun Hong, Thomas
(*Managing Director*)
Ms. Tang Mui Fun

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Leung Wai Ho
Mr. Yuen Chi Choi
Mr. Siu Man Ho, Simon
Mr. Cho Wing Mou

Head office and

principal place of business:

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

28 July 2009

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

Dear Sir or Madam,

**PROPOSALS FOR
GRANT OF NEW ISSUE MANDATE AND REPURCHASE MANDATE,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information and to seek your approval to the proposed (i) grant of the New Issue Mandate and the Repurchase Mandate; (ii) re-election of the retiring Directors at the AGM; and (iii) amendments to the Bye-laws. A notice of the AGM containing the resolutions to be proposed at the AGM is set out on pages 29 to 42 of this circular.

* For identification purpose only

LETTER FROM THE BOARD

GRANT OF THE NEW ISSUE MANDATE AND THE REPURCHASE MANDATE

At the Company's last annual general meeting held on 27 August 2008, the Directors were granted a general mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 27 August 2008 (equivalent to the aggregate nominal amount of HK\$4,020,703.37 divided into 402,070,337 Shares with a nominal value of HK\$0.01 each) (the "2008 General Mandate") and a general mandate to repurchase Shares up to a maximum 10% of the aggregate nominal amount of the issued share capital of the Company as at 27 August 2008 (equivalent to the aggregate nominal amount of HK\$2,010,351.68 divided into 201,035,168 Shares with a nominal value of HK\$0.01 each) (the "2008 Repurchase Mandate"). The 2008 Repurchase Mandate has not yet been utilised.

On 11 May 2009, the Company announced that it has entered into the placing agreements, both dated 11 May 2009, to place a total of 402,000,000 Shares under the 2008 General Mandate to independent placees pursuant to the Placing. Pursuant to the Announcement, the aggregate net proceeds from the Placing amounted to approximately HK\$33.6 million, of which HK\$15 million will be used for the repayment of interest-bearing debts and the remaining balance as general working capital for the Group. As such, the 2008 General Mandate was almost fully utilised.

At the special general meeting of the Company held on 24 June 2009, ordinary resolutions were passed by the independent Shareholders for refreshment of the 2008 General Mandate and extension thereof to the Directors to allot, issue and deal with additional 482,470,337 Shares, representing 20% of the issued share capital of the Company as at 24 June 2009. This mandate and extension thereof has not yet been utilised and will expire at the conclusion of the AGM.

Further details of the Placing, the refreshment of the 2008 General Mandate and extension thereof are set out in the Company's Announcement and the circular to the Shareholders dated 8 June 2009 respectively.

To facilitate future allotment and issue 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 Repurchase Mandate; and
- (c) the New Issue Mandate be extended to the Shares and other securities that are allowed to be repurchased by the Company since the grant of the New Issue Mandate.

The Directors have no immediate plans to allot and issue any new Shares under the New Issue Mandate and such Shares which may fall to be issued upon the exercise of the outstanding Share Options granted.

An explanatory statement in respect of the Repurchase Mandate required under the Listing Rules to be included in this circular is set out in Appendix I to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF THE DIRECTORS

In accordance with Bye-law 87 of the Bye-laws, Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Cho Wing Mou will retire as Directors by rotation at the AGM and, being eligible, offer themselves for re-election.

Details of Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Cho Wing Mou required to be disclosed pursuant to the Listing Rules are set out in Appendix II to this circular.

Mr. Leung Wai Ho, Mr. Yuen Chi Choi, Mr. Siu Man Ho, Simon and Mr. Cho Wing Mou, the independent non-executive Directors, have made annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and are independent in accordance with terms of the guidelines.

AMENDMENTS TO THE BYE-LAWS

Certain provisions in the Bye-laws have become inconsistent or otherwise no longer align with the Listing Rules following certain relevant amendments to the Listing Rules which came into effect in January 2009.

The Board proposes that the relevant provisions in the Bye-laws be amended so as to align the Bye-laws with the latest amendments to the Listing Rules. The proposed amendments to the Bye-laws are subject to the approval of the Shareholders by way of special resolutions to be proposed at the AGM.

The effects of the proposed amendments to the Bye-laws are summarised as follows:

1. An annual general meeting shall be called by notice in writing of not less than 21 clear days and not less than 20 clear business days, any special general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of not less than 21 clear days and not less than 10 clear business days. All other special general meeting may be called by notice in writing of not less than 14 clear days and not less than 10 clear business days but if permitted by the rules of the Stock Exchange, a general meeting may be called by shorter notice if it is so agreed;
2. At any general meeting, a resolution put to the vote of the meeting shall be decided by poll; and
3. Apart from the giving and delivery of documents by the Company to you by post, any corporate communication given or issued from the Company to you may also be by cable, telex or facsimile transmission message or other form of electronic transmission or communication, and such corporate communication may be served or delivered by the Company to you by transmitting the same to any telex or facsimile transmission number or electronic number or address of website supplied by you to the Company for the giving of notice to you or by placing the same on the Company's website

LETTER FROM THE BOARD

and giving you a notice stating that such corporate communication is available there and such notice may be given to you by any of the aforementioned means.

Details of the proposed amendments to the Bye-laws are also set out as follows:

(1) Bye-law 1

- (i) The following new definition of “business day(s)” be inserted immediately after the definition of “Board” or “Directors” in Bye-law 1:

“business day(s)” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day;”

- (ii) It is proposed that the words “Dailywin Group Limited” in the definition of “Company” in Bye-law 1 be deleted and be substituted by the words “Wai Yuen Tong Medicine Holdings Limited”.

(2) Bye-law 2

- (i) The following wording be inserted immediately after the words “in a visible form” in paragraph (e) of the existing Bye-law 2:

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”

- (ii) The existing paragraphs (h) and (i) of Bye-law 2 provide that:

“(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days’ notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general

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meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days' Notice has been given;

- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) days' Notice has been duly given;"

It is proposed that paragraphs (h) and (i) of the existing Bye-law 2 be deleted in their entirety and be substituted by the following:

"(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;

- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;"

(3) Bye-law 10

The existing Bye-law 10 provides that:

"10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than

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one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum;

- (b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and
- (c) any holder of shares of the class present in person or by proxy may demand a poll.”

It is proposed that:

- (i) the word “and” be inserted immediately after the semi-colon at the end of paragraph (a) of the existing Bye-law 10;
 - (ii) the words “on a poll” in the first line of paragraph (b) of the existing Bye-law 10 be deleted and the semi-colon and the word “and” at the end of paragraph (b) of the existing Bye-law 10 be deleted and be substituted by a full-stop; and
 - (iii) paragraph (c) of the existing Bye-law 10 be deleted in its entirety.
- (4) Bye-law 44**

The existing Bye-law 44 provides that:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten dollars at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

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It is proposed that the existing Bye-law 44 be deleted in its entirety and be substituted by the following:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(5) Bye-law 59

Paragraph (1) of the existing Bye-law 59 provides that:

“(1) An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one (21) clear days’ Notice. All other special general meetings may be called by not less than fourteen (14) clear days’ Notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

It is proposed that the paragraph (1) of the existing Bye-law 59 be deleted in its entirety and be substituted by the following:

“(1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business

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days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right."

(6) Bye-law 66

The existing Bye-law 66 provides that:

"66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person or by proxy or being a corporation, is present by a representative duly authorised under Section 78 of the Act shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the shares. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or

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- (e) by any Director or Directors (including the chairman of a general meeting of the Company), who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies. If a poll is required under these circumstances, the chairman of the meeting should disclose to the meeting of the Company the total number of votes represented by all proxies held by Directors indicating an opposite vote to the votes cast at the meeting on a show of hands.

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

It is proposed that the existing Bye-law 66 be deleted in its entirety and be substituted by the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy, or in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

(7) Bye-law 67

The existing Bye-law 67 provides that:

“67. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.”

It is proposed that the existing Bye-law 67 be deleted in its entirety and be substituted by the following:

“67. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

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(8) Bye-law 68

The existing Bye-law 68 provides that:

“68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.”

It is proposed that the existing Bye-law 68 be deleted in its entirety and be substituted by the words “Intentionally deleted”.

(9) Bye-law 69

The existing Bye-law 69 provides that:

“69. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.”

It is proposed that the existing Bye-law 69 be deleted in its entirety and be substituted by the words “Intentionally deleted”.

(10) Bye-law 70

The existing Bye-law 70 provides that:

“70. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.”

It is proposed that the existing Bye-law 70 be deleted in its entirety and be substituted by the words “Intentionally deleted”.

(11) Bye-law 73

The existing Bye-law 73 provides that:

“73. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”

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It is proposed that the existing Bye-law 73 be deleted in its entirety and be substituted by the following:

“73. In the case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”

(12) Bye-law 75

Paragraph (1) of the existing Bye-law 75 provides that:

“(1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.”

It is proposed that paragraph (1) of the existing Bye-law 75 be deleted in its entirety and be substituted by the following:

“(1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.”

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(13) Bye-law 80

The existing Bye-law 80 provides that:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it a the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

It is proposed that the existing Bye-law 80 be deleted in its entirety and be substituted by the following:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

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(14) Bye-law 81

The existing Bye-law 81 provides that:

“81. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.”

It is proposed that the words “to demand or join in demanding a poll and” in the fourth line of the existing Bye-law 81 be deleted in its entirety.

(15) Bye-law 82

The existing Bye-law 82 provides that:

“82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.”

It is proposed that the words “, or the taking of the poll,” in the seventh line of the existing Bye-law 82 be deleted.

(16) Bye-law 84

Paragraph (2) of the existing Bye-law 84 provides that:

“(2) If permitted by the Act, a clearing house (or its nominee) if a corporation being a Member, may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee).”

LETTER FROM THE BOARD

It is proposed that paragraph (2) of the existing Bye-law 84 be deleted in its entirety and be substituted by the following:

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation.”

(17) Bye-law 86

Paragraph (4) of the existing Bye-law 86 provides that:

“(4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws, by special resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.”

It is proposed that the word “special” in the second line of paragraph (4) of the existing Bye-law 86 be deleted and be substituted by the word “ordinary”.

(18) Bye-law 127

Paragraph (1) of the existing Bye-law 127 provides that:

“127.(1) The officers of the Company shall consist of a president and vice-president or chairman and deputy chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.”

It is proposed that the words “a president and vice-president or chairman and deputy chairman,” in the first line of paragraph (1) of the existing Bye-law 127 be deleted.

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(19) Bye-laws 153A and 153B

It is proposed that the following paragraphs be inserted immediately after the existing Bye-law 153 as new Bye-laws 153A and 153B:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

(20) Bye-law 160

The existing Bye-law 160 provides that:

“160. Any Notice from the Company to a Member shall be given in writing or by cable, telex or facsimile transmission message and any such Notice and (where appropriate) any other document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in the prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to

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any telex or facsimile transmission number supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in accordance with the requirements of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

It is proposed that the existing Bye-law 160 be deleted in its entirety and be substituted by the following:

“160. Any Notice or other document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement published in an appointed newspaper (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the Notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient notice to all the joint holders.”

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(21) Bye-law 161

The existing Bye-law 161 provides that:

“161. Any Notice or other document:

- (a) if served or delivered by post, shall be sent airmail where appropriate and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof; and
- (b) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof.”

It is proposed that the existing Bye-law 161 be deleted in its entirety and be substituted by the following:

“161. Any notice or document:

- (a) if served or delivered by post, shall where appropriate be deemed to have been served on the day following that on which the envelope containing the same, properly prepared and addressed, is put into the post; in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or document was so addressed and put into the post shall be conclusive evidence therefor;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

LETTER FROM THE BOARD

- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations."

(22) Bye-law 163

The existing Bye-law 163 provides that:

"163. For the purposes of these Bye-laws, a cable or telex or facsimile transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received."

It is proposed that the existing Bye-law 163 be deleted in its entirety and be substituted by the following:

"163. For the purposes of these Bye-laws, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received."

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It is proposed that the Bye-laws of the Company in the form of the document to be produced to the AGM and for the purpose of identification signed by the chairman of the AGM, which consolidates all of the aforesaid proposed amendments and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be approved and adopted as the new Bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

VOTING BY POLL

The chairman of the AGM will demand of a poll for all resolutions set out in the notice convening the AGM pursuant to the Listing Rules.

THE AGM

A notice convening the AGM, which is convened for the purpose of considering and, if thought fit, approving, among other things, the grant of the New Issue Mandate and the Repurchase Mandate, the re-election of the retiring Directors and the amendments to the Bye-laws, is set out on pages 29 to 42 of this circular.

A form of proxy for use 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM. Completion and return 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 instrument appointing a proxy shall be deemed to be revoked.

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RECOMMENDATION

The Board considers that the proposals for (i) the grant of the New Issue Mandate and the Repurchase Mandate; (ii) the re-election of the retiring Directors; and (iii) the amendments to the Bye-laws, are in the best interests of the Company and the Shareholders as a whole and, accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM in respect thereof.

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

* 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 in respect of the Repurchase Mandate. For the purpose of this appendix, the term "Shares" (unless otherwise stated) shall be as defined in the Code on the Share Repurchases which means shares of all classes and securities which carry a right to subscribe for or purchase shares.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$24,123,516.88, comprising 2,412,351,688 Shares, and the outstanding Share Options was 16,120,000 Shares. If such outstanding Share Options are exercised in full on or prior to the date of passing of the resolution in respect of the Repurchase Mandate, a further 16,120,000 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 were/will issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Directors will be authorised to purchase up to 241,235,168 Shares pursuant to the Repurchase Mandate. Assuming that rights attached to all outstanding Share Options is exercised in full on or before the date of passing of the resolution in respect of the Repurchase Mandate and assuming no further Shares were/will be issued and/or repurchased by the Company, the total number of Shares in issue will be 2,428,471,688 and the Directors will be authorised to repurchase with an aggregate nominal amount up to HK\$2,428,471.68 (representing 242,847,168 Shares).

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its 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 value of the Company and/or its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally for such purpose in accordance with its memorandum of association and the Bye-laws, the laws of Bermuda and other applicable laws.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the positions disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 March 2009 in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise of the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

No connected persons has notified the Company that he has a present intention to sell Shares to the Company, or that he has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and 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.

6. EFFECT OF THE CODE

If, on the exercise of the power to repurchase Shares pursuant to the 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 Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the 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 Code.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Wang On Group, and parties acting in concert with it, were deemed to be interested in approximately 21.85% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Mandate and if there is no other change in the issued share capital of the Company, the shareholding of Wang On Group in the Company will be increased to approximately 24.27% of the issued share capital of the Company. The Directors are not aware of any consequence which may arise under the Code as a result of any repurchases made under the 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%.

7. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

Month	Price per Shares	
	Highest HK\$	Lowest HK\$
2008		
July	0.265	0.198
August	0.250	0.171
September	0.227	0.125
October	0.199	0.100
November	0.153	0.125
December	0.175	0.130
2009		
January	0.162	0.122
February	0.165	0.135
March	0.142	0.124
April	0.160	0.114
May	0.123	0.099
June	0.127	0.106
July (up to and including the Latest Practicable Date)	0.112	0.101

The biographical details of Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Cho Wing Mou, who are proposed to be re-elected at the AGM to be held on Wednesday, 26 August 2009, are as follows:

1. **Mr. Tang Ching Ho**, aged 47, was appointed as the Chairman of the Company in August 2001. He is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of Wang On Group Limited ("Wang On"), a company listed on the main board of the Stock Exchange. Mr. Tang is the brother of Ms. Tang Mui Fun, the executive Director.

Mr. Tang is entitled to a director's fee of approximately HK\$6.9 million per annum. He is also entitled to bonus and other benefits at the discretion of the Board by reference to the Company's performance and the prevailing practice in the industry. The term of Mr. Tang'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.

Save as disclosed above, as at the Latest Practicable Date, Mr. Tang did not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules), nor have any interest in Shares within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Tang 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. Tang that needs to be brought to the attention of the Shareholders.

2. **Mr. Chan Chun Hong, Thomas**, aged 45, was appointed as the Managing Director of the Company in August 2001. He is responsible for managing the corporate matters and overall management and supervision of the Group. 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. He is also the managing director of Wang On, the chairman and managing director of LeRoi Holdings Limited, the chairman of China Agri-Products Exchange Limited and an independent non-executive director of Shanghai Prime Machinery Company Limited, all companies are listed on the Stock Exchange.

Mr. Chan is entitled to a director's fee of approximately HK\$6.9 million per annum. He is also entitled to bonus and other benefits 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.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chan did not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules), nor have any interest in 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.

3. **Mr. Cho Wing Mou**, aged 68, joined the Company as an Independent Non-executive Director in September 2001. He is a member of audit committee and remuneration committee of the Company and the chairman of nomination committee of the Company. Mr. Cho has over 42 years' experience in banking industry and was formerly as a director and deputy general manager of Hua Chiao Commercial Bank Limited and The China State Bank Limited. He is a committee member of the 8th Political Consultative Conference Guangxi, a committee member of the 1st and 2nd Political Consultative Conference of Yulin City, Guangxi Province and a committee member of Political Consultative Conference of Maoming City, Guangdong Province and also the Chairman of Supervisor Gee Tuck General Association Hong Kong Limited and the vice president of Gee Tuck World Association Limited.

Mr. Cho has entered into a service contract with the Company for not more than three years. In accordance with the terms of the service contract, Mr. Cho is entitled to a director's fee of HK\$120,000 per annum and will also be entitled to a fee in the amount of HK\$20,000 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 Bye-laws.

As at the Latest Practicable Date, Mr. Cho did not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) 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.

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 Rooms A & B, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 26 August 2009 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2009.
2. To re-elect the following directors and to authorise the board of directors (the “**Board**” or the “**Director**”) to fix the remuneration of the Directors:
 - (i) Mr. Tang Ching Ho as an Executive Director;
 - (ii) Mr. Chan Chun Hong, Thomas as an Executive Director; and
 - (iii) Mr. Cho Wing Mou as an Independent Non-executive Director.
3. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and to authorise the Board to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:
 - (A) “**THAT:**
 - (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company (the “**Shares**”) be and is hereby general and unconditionally approved;

* For identification purpose only

NOTICE OF THE AGM

(b) the aggregate nominal amount of Share which may be repurchased or agreed to repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by laws of Bermuda or the Company’s 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.”

(B) “**THAT:**

(a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereafter defined) of all the powers of the Company to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, 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 or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:

(i) a Right Issue (as hereafter defined);

(ii) the exercise of rights subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;

NOTICE OF THE AGM

- (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; and
- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the bye-laws of the Company in force from time to time,

shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution; and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any shares capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution), the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s 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

“**Right 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).”

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- (C) “**THAT**, conditional upon the passing of 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 of the Company pursuant to the resolution numbered 4(B) above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the 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 aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

SPECIAL RESOLUTIONS

5. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as special resolutions of the Company:

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

(1) Bye-law 1

- (i) By inserting the following new definition of “business day(s)” immediately after the definition of ““Board” or “Directors”” in Bye-law 1:

““business day(s)” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day;”

- (ii) By deleting the words “Dailywin Group Limited” in the definition of “Company” in Bye-law 1 and substituting therefor the words “Wai Yuen Tong Medicine Holdings Limited”.

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(2) Bye-law 2

- (i) By inserting the following wording immediately after the words “in a visible form” in paragraph (e) of the existing Bye-law 2:

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations”

- (ii) By deleting paragraphs (h) and (i) of the existing Bye-law 2 in their entirety and substituting therefor the following:

“(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;

(i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;”

(3) Bye-law 10

- (i) By inserting the word “and” immediately after the semi-colon at the end of paragraph (a) of the existing Bye-law 10;

- (ii) By deleting the words “on a poll” in the first line of paragraph (b) of the existing Bye-law 10 and deleting the semi-colon and the word “and” at the end of paragraph (b) of the existing Bye-law 10 and substituting therefor a full-stop; and

- (iii) By deleting paragraph (c) of the existing Bye-law 10 in its entirety.

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(4) Bye-law 44

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(5) Bye-law 59

By deleting paragraph (1) of the existing Bye-law 59 in its entirety and substituting therefor the following:

“(1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

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(6) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy, or in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

(7) Bye-law 67

By deleting Bye-law 67 in its entirety and substituting therefor the following:

“67. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(8) Bye-law 68

By deleting the text of the existing Bye-law 68 in its entirety and substituting therefor the words “Intentionally deleted”.

(9) Bye-law 69

By deleting the text of the existing Bye-law 69 in its entirety and substituting therefor the words “Intentionally deleted”.

(10) Bye-law 70

By deleting the text of the existing Bye-law 70 in its entirety and substituting therefor the words “Intentionally deleted”.

(11) Bye-law 73

By deleting the existing Bye-law 73 in its entirety and substituting therefor the following:

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“73. In the case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote in addition to any other vote he may have.”

(12) Bye-law 75

By deleting paragraph (1) of the existing Bye-law 75 in its entirety and substituting therefor the following:

“(1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.”

(13) Bye-law 80

By deleting the existing Bye-law 80 in its entirety and substituting therefor the following:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an

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instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

(14) Bye-law 81

By deleting the words “to demand or join in demanding a poll and” in the fourth line of existing Bye-law 81.

(15) Bye-law 82

By deleting the words “, or the taking of the poll,” in the seventh line of Bye-law 82.

(16) Bye-law 84

By deleting paragraph (2) of the existing Bye-law 84 in its entirety and substituting therefor the following:

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation.”

(17) Bye-law 86

By deleting the word “special” in the second line of paragraph (4) of the existing Bye-law 86 and substituting therefor the word “ordinary”.

(18) Bye-law 127

By deleting the words “a president and vice-president or chairman and deputy chairman,” in the first line of paragraph (1) of the existing Bye-law 127.

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(19) Bye-laws 153A and 153B

By inserting the following paragraphs immediately after existing Bye-law 153 as new Bye-laws 153A and 153B:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

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(20) Bye-law 160

By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

“160. Any Notice or other document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement published in an appointed newspaper (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the Notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient notice to all the joint holders.”

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(21) Bye-law 161

By deleting the existing Bye-law 161 in its entirety and substituting therefor the following:

“161. Any notice or document:

- (a) if served or delivered by post, shall where appropriate be deemed to have been served on the day following that on which the envelope containing the same, properly prepared and addressed, is put into the post; in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or document was so addressed and put into the post shall be conclusive evidence therefor;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

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(22) Bye-law 163

By deleting the existing Bye-law 163 in its entirety and substituting therefor the following:

“163. For the purposes of these Bye-laws, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.”

- (B) “**THAT** the bye-laws of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the Chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution 5(A) above and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.

By Order of the Board
Wai Yuen Tong Medicine Holdings Limited
(位元堂藥業控股有限公司*)
Mak Yuen Ming, Anita
Company Secretary

Hong Kong, 28 July 2009

* For identification purpose only

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Notes:

- (1) A member entitled to attend and vote at the annual general meeting convened by the above notice, is entitled to appoint one or if such member is a holder of more than one share, more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude members from attending and voting at the annual general meeting or any adjournment thereof (as the case may be), if they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (3) Where there are joint holders of any shares, any one of such joint holders may vote at the meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto provided that if more than one of such joint holders be present at the meeting 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.