

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司\*), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**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)**

**MAJOR TRANSACTION REGARDING  
AMENDMENT TO THE PREVIOUS LOAN FACILITIES TO  
PNG RESOURCES HOLDINGS LIMITED  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM (as defined in this circular) to be held at 17/F., Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong on Thursday, 26 September 2013 at 10:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you intend to attend and vote in person at the SGM, 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 SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

\* For identification purpose only

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Appendix I — Financial Information of the Group</b> .....	I-1
<b>Appendix II — General Information</b> .....	II-1
<b>Notice of the SGM</b> .....	SGM-1

## DEFINITIONS

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

“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 0149)
“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 are listed and traded on the main board of the Stock Exchange (Stock Code: 897)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Gain Better”	Gain Better Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company, the former lender of the Previous Loan Facilities
“Group”	the Company and its subsidiaries
“Hearty” or “Lender”	Hearty Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by the Company, the current lender of the Previous Loan Facilities
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

\* For identification purpose only

## DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	4 September 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	collectively, the Previous Loan Agreements as supplemented by the Supplemental Agreements
“PNG” or “Borrower”	PNG Resources Holdings Limited (PNG 資源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 221)
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Loan Agreements”	two loan agreements dated 28 August 2009 (which was amended by an assignment dated 1 July 2013) and 10 July 2009 (which was supplemented and amended by a supplemental agreement dated 11 July 2011 and an assignment dated 1 July 2013), respectively, or any of them (as the case may be), entered into between Gain Better and the Borrower pursuant to which Gain Better agreed to advance the Previous Loan Facilities to the Borrower
“Previous Loan Facilities”	two outstanding loan facilities in the aggregate sum of HK\$200 million granted by Gain Better to the Borrower pursuant to the Previous Loan Agreements
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held at 17/F., Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on Thursday, 26 September 2013 at 10:00 a.m. or at any adjournment thereof (as the case may be) to consider and, if thought fit, approve, among others, the Supplemental Agreements and the transaction(s) contemplated thereunder
“Share(s) ”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies) ”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Supplemental Agreements”	two sets of the supplemental loan agreement, both dated 22 August 2013, entered into between the Lender and the Borrower to vary and amend certain terms and conditions of the Previous Loan Agreements in respect of the Previous Loan Facilities
“%”	per cent.

LETTER FROM THE BOARD



**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, JP (Chairman)  
Mr. Chan Chun Hong, Thomas (Managing Director)  
Ms. Tang Mui Fun

*Independent non-executive Directors:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and  
principal place of business:*

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

9 September 2013

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION REGARDING  
AMENDMENT TO THE PREVIOUS LOAN FACILITIES TO  
PNG RESOURCES HOLDINGS LIMITED  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

References were made to the announcements of the Company dated 28 August 2009, 11 July 2011 and 22 August 2013 in relation to the Previous Loan Facilities. The purpose of this circular is to provide you with, among others, further details of the major transaction relating to the Loan Agreements and the notice of the SGM to be convened and held for the purpose of considering and, if thought fit, among others, approving the resolutions in relation to the Supplemental Agreements and the transactions contemplated thereunder.

\* For identification purpose only

<b>LETTER FROM THE BOARD</b>
------------------------------

**AMENDMENT TO THE PREVIOUS LOAN FACILITIES**

References were made to the announcements of the Company dated 28 August 2009 and 11 July 2011 in relation to the Previous Loan Facilities.

The details of the Previous Loan Facilities are set out as follows:

	<b>1st Loan Agreement</b>	<b>2nd Loan Agreement</b>
<b>Date:</b>	28 August 2009	10 July 2009 <i>(as amended by a supplemental agreement dated 11 July 2011)</i>
<b>Lender:</b>	Gain Better (a company indirectly wholly owned by the Company as of the Latest Practicable Date)  By an assignment dated 1 July 2013 and made between Gain Better and the Lender, Gain Better agreed to assign and transfer to the Lender absolutely all of the rights, title, benefit, interest and all obligations and liabilities of Gain Better in, to, under and in respect of this loan	Gain Better  By an assignment dated 1 July 2013 and made between Gain Better and the Lender, Gain Better agreed to assign and transfer to the Lender absolutely all of the rights, title, benefit, interest and all obligations and liabilities of Gain Better in, to, under and in respect of this loan
<b>Borrower:</b>	PNG	PNG
<b>Loan facility:</b>	A credit facility in an aggregate amount of not exceeding HK\$190 million	A credit facility in an aggregate amount of not exceeding HK\$10 million
<b>Availability period:</b>	13 November 2009 to <b>12 November 2013</b>	10 July 2009 to 9 July 2011 (as extended to <b>8 July 2014</b> pursuant to the supplemental agreement dated 11 July 2011)

## LETTER FROM THE BOARD

	<b>1st Loan Agreement</b>	<b>2nd Loan Agreement</b>
<b>Interest rate per annum:</b>	8.0%	8.0%
<b>Drawdown date:</b>	Full drawdown on 13 November 2009	Full drawdown on 10 July 2009
<b>Security:</b>	Unsecured	Unsecured
<b>Outstanding loan facilities as at the Latest Practicable Date:</b>	HK\$190 million	HK\$10 million

On 22 August 2013, the Borrower and the Lender entered into the Supplemental Agreements to each of the Previous Loan Agreements, pursuant to which the Lender conditionally agreed to extend the respective repayment dates under each of the Previous Loan Agreements for three years upon each of the respective maturity dates in consideration for the increase in interest rate payable by the Borrower to the Lender from 8.0% to 10.0% per annum and the interest accrued on the Previous Loan Facilities under the new interest rate shall be payable on an annual basis.

Save as amended by the Supplemental Agreements, all other terms and conditions of each of the Previous Loan Agreements remain unchanged.

The interest rate of 10.0% per annum was determined with reference to factors including, among others, the prevailing Hong Kong best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited, being 5.0% per annum.

### **Conditions of the Loan Agreements**

The effectiveness of the Supplemental Agreements are conditional upon, inter alia, the passing of the resolution(s) by the Shareholders at the SGM approving the amendments to be made pursuant to the Supplemental Agreements and any other transactions contemplated thereunder.

If the conditions are not fulfilled or waived by 31 October 2013 (or such later date as the Lender and the Borrower may mutually agree in writing), the Supplemental Agreements shall be null and void and of no further effect and no party to the Supplemental Agreements shall have any further liability to any other parties under or in connection with the Supplemental Agreements without prejudice to the rights of any such parties in respect of any antecedent breaches.



## LETTER FROM THE BOARD

### REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

The Previous Loan Facilities to the Borrower will be extended on an unsecured basis. Taking into account the sound financial position of the Borrower as disclosed in its 2013 annual report, in particular, with a good portfolio and prospects of property development projects in the PRC, the Company considers the recoverability of any loan under the Previous Loan Facilities is certain.

The Company is the single largest and controlling shareholder of the Borrower. In view of the development prospects of the Borrower, the Directors consider that it is in the interest of the Shareholders to continue to support the development of the Borrower by way of loan financing with an aim to generate return to the Shareholders in long run as a controlling shareholder of the Borrower. The Directors also consider that the continuous provision of the Previous Loan Facilities to the Borrower provides the Company a higher and stable interest income in the short to medium term.

The Directors are of the view that the terms of the Loan Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### GENERAL INFORMATION

The Lender is principally engaged in investment holding and the Group is principally engaged in (i) the manufacturing, processing and retailing of traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of "Wai Yuen Tong" and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; (ii) the processing and retailing of western pharmaceutical, health food and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; and (iii) property investment.

The Borrower and its subsidiaries are principally engaged in the businesses of property development in the PRC, forestry and logging operations in Papua New Guinea and retailing of the fresh pork meat and related produce in Hong Kong.

As at the Latest Practicable Date, the Company was indirectly holding approximately 34.63% of the entire issued share capital of the Borrower. Mr. Chan Chun Hong, Thomas, an executive Director, is also an executive director of the Borrower. Save for the foregoing, to the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, the Borrower and its ultimate beneficial owner are third parties independent of and not connected with the Group and its connected persons.

## LETTER FROM THE BOARD

### IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreements, when aggregated, exceeds 25%, the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. The transactions contemplated under the Loan Agreements also constitute an advance to an entity, which shall be subject to the disclosure requirement under Rule 13.13 of the Listing Rules.

The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Supplemental Agreements and the transactions contemplated thereunder. As no Shareholder has a material interest in the Loan Agreements, no Shareholder is required to abstain from voting at the SGM in respect of the Supplemental Agreements and the transactions contemplated thereunder.

### FINANCIAL EFFECT ON THE GROUP

Apart from the maximum interest income of not exceeding HK\$20 million per annum, the Directors consider that there will be no significant impact on the assets, liabilities and earnings of the Group as a result of the extension of the repayment dates of the Previous Loan Facilities.

### THE SGM

A notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular for the purpose of considering and, if thought fit approving the resolutions in respect of the Supplemental Agreements and the transactions contemplated thereunder. A form of proxy for use at the SGM is accompanied with this circular.

Pursuant to Rules 13.39(4) and 13.39(5) of the Listing Rules and the bye-laws of the Company, the voting on all proposed resolutions at the SGM will be taken by way of a poll and an announcement on the poll results will be made by the Company after the SGM.

Whether or not you intend to attend and vote in person at the SGM, 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 SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

## LETTER FROM THE BOARD

### RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Supplemental Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Supplemental Agreements.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

## 1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2011, 2012 and 2013 are disclosed in the annual reports of the Company for the years ended 31 March 2011 (pages 26 to 107), 2012 (pages 34 to 113) and 2013 (pages 39 to 126), respectively, which are published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wyth.net>). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2011, 2012 and 2013.

## 2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 July 2013, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had outstanding bank loans of approximately HK\$351.7 million, of which bank loans with an aggregate amount of approximately HK\$315.7 million were secured by the Group's land and buildings and investment properties and certain rental income generated from there. The carrying values of the Group's land and buildings and investment properties as at 31 July 2013, which were pledged to secure the Group's bank loans, amounted to approximately HK\$158.8 million and approximately HK\$441.3 million, respectively.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 July 2013, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

Save as disclosed above, the Directors were not aware of any material changes in the indebtedness and contingent liabilities of the Group after 31 July 2013 and up to the Latest Practicable Date.

## 3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

## 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2013, being the date on which the latest published audited consolidated financial statements of the Group were made up.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The recent global financial instability and economic recession has generally affected the business environment in Hong Kong and the PRC, with the retail business being the most vulnerable. Whilst the retail business of the Group has fared relatively well, in order to minimise the general adverse effect on our business of the worsening global environment as well as the local government policy, control and measure, the Group will continue to pay efforts to expand its product range, broaden its customer base, strengthen quality control and enhance marketing and promotion activities so as to further uplift the image and competitiveness of its brands and its products. Proven that there should be a strong growth potential in other sale channels, such as chain stores, key accounts, open trade, overseas, etc., the Group will further increase the focus and concentration by adding more resources, including manpower, incentives, advertising and promotion fees to develop these alternative sale channels, with the target to balance the risk and reliance on retail business. Besides, the Group will also make use of the cyber world, such as cooperate with other agencies focusing on group purchase business, set up a fans page on Facebook and launch iPhone apps, which have been recognised to be a very effective and efficient way to promote our brands and products and bring in potential new customers from the younger generation. On the other hand, the Group will also evaluate merger and acquisition opportunities as a means to speed up growth and which can bring in synergy to our existing business, as well as diversification of its investment portfolio for strengthening and broadening its income base.

Continuously rising labour, raw materials and rental costs all add burden to the Group as they pay a significant portion of the Group's operating costs. By adopting various cost control measures, such as exploring new suppliers to ensure raw materials purchased are of high quality and at competitive prices, reviewing various operating cycles and processes so as to improve our production efficiency and relocating some of our retail shops to achieve lower overall rental costs, the Group's management seeks to maintain its profitability. The Group will also consider acquiring suitable retail premises, both for long term capital appreciation purpose and to minimise the effect of the rising trend in rental costs.

Going forward, to expand the Group's pharmaceutical manufacturing business as well as to fulfill the stringent change of quality system among pharmaceutical industry is the next milestone of the Group. Taking the opportunity that the Group has been granted the lease of a piece of land located at Yuen Long Industrial Estate, the Group is keen to construct a new and modernised five-storey factory building to house its pharmaceutical (western drug) manufacturing and traditional Chinese medicine manufacturing. The Group will also introduce the latest technologies and incorporate a research and development centre into this new factory. As such, the Group is confident that our leading position as a local Hong Kong brand in the pharmaceutical industry will be further strengthened.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

#### (i) Long positions in underlying Shares of share options of the Company:

Name of Director	Date of grant	Exercise price per Share HK\$	Number of share options outstanding	Exercisable period (Note 1)	Number of underlying Shares	Approximate percentage of the Company's total issued share capital (Note 2) %
Ms. Tang Mui Fun	8.1.2009	1.2050	78,214	8.1.2010-7.1.2019	78,214	0.003

(ii) *Long positions in the shares of associated corporation:*

Associated Corporation	Name of Director	Capacity	Total number of shares held	Percentage of PNG's total issued share capital (Note 2) %
PNG	Mr. Cho Wing Mou	Beneficial owner	96,000	0.001

*Notes:*

- The share options granted under the share option scheme vest 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 percentage was calculated based on the total issued share capital of the Company as at the Latest Practicable Date of 2,931,142,969.
- The percentage was calculated based on the total issued share capital of PNG as at the Latest Practicable Date of 7,691,500,000.

**(b) Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO**

Save as disclosed below, as at the Latest Practicable Date, no person had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

*Long positions in the Shares:*

Name of Shareholder	Capacity	Total number of Shares held	Approximate percentage of the Company's total issued share capital (Note 2)
Wang On Group Limited ("Wang On") (Note 1)	Interest of controlled corporation	729,042,034	24.87
Wang On Enterprises (BVI) Limited ("WOE") (Note 1)	Interest of controlled corporation	729,042,034	24.87
Rich Time Strategy Limited ("Rich Time") (Note 1)	Beneficial owner	729,042,034	24.87

*Notes:*

- (1) Rich Time is wholly owned by WOE, which is a wholly-owned subsidiary of Wang On. WOE and Wang On are deemed to be interested in 729,042,034 Shares held by Rich Time.
- (2) The percentage was calculated based on the total issued share capital of the Company as at the Latest Practicable Date of 2,931,142,969 Shares.

### **3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

- (i) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.
- (ii) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2013, being the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

### **4. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective associates were considered to have any interests in businesses which competed or were likely, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

### **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

### **6. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.



## 7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the Loan Agreements;
- (b) a loan agreement dated 28 May 2013 entered into between Give Power Limited (a company indirectly wholly owned by the Company) (“**Give Power**”) as the lender and CAP as the borrower (as amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich Investments Limited (“**Winning Rich**”), an indirect wholly-owned subsidiary of the Company) for the provision of an unsecured revolving credit facility in the maximum aggregate amount of HK\$150.0 million at an interest rate of 12.0% per annum for a period of 36 months from 28 May 2013, the details of which were set out in the announcement of the Company dated 28 May 2013;
- (c) a new issue placing agreement dated 8 March 2013 entered into between the Company and Kingston Securities Limited (“**Kingston**”) pursuant to which the Company has agreed to place, through Kingston, 488,000,000 new Shares at a placing price of HK\$0.22 per Share, which was completed on 26 March 2013. The details of which were set out in the announcement of the Company dated 8 March 2013;
- (d) a provisional sale and purchase agreement dated 31 January 2013 entered into between Sino Fame Investments Limited (an indirect wholly-owned subsidiary of the Company) as the purchaser and King Best Asia Group Limited as the vendor for the acquisition of the premise at G/F, Bowring Building, No. 14 Bowring Street, Kowloon, Hong Kong with a saleable floor area of approximately 800 square feet at a cash consideration of HK\$81.0 million, the details of which were set out in the announcement of the Company dated 4 February 2013;
- (e) a master sales agreement dated 14 January 2013 entered into between Wai Yuen Tong Medicine Company Limited (an indirect subsidiary of the Company) and Wang On Management Limited (“**WOM**”) (an indirect wholly-owned subsidiary of Wang On) for the sales of the Group’s pharmaceutical products to WOM (for itself and on behalf of other members of Wang On) with annual caps of HK\$5.8 million, HK\$7.2 million and HK\$9.0 million, respectively for the three years ending 31 March 2015;

- (f) an agreement for lease of all those pieces or parcels of ground registered in the Land Registry as Extension to Subsection 1 of Section M of Yuen Long Town Lot No. 313 and Extensions Thereto at Yuen Long Industrial Estate with a total site area of 8,545.56 square metres to be entered into between Wai Yuen Tong Company Limited (an indirect wholly-owned subsidiary of the Company) and Hong Kong Science and Technology Parks Corporation at a land premium of HK\$21,363,900.0 on 22 February 2013, the details of which were set out in the announcement of the Company dated 12 December 2012;
- (g) a top-up placing and subscription agreement dated 30 November 2012 entered into between Rich Time (an indirect wholly-owned subsidiary of Wang On), as the vendor and the subscriber, the Company as the issuer and Kingston pursuant to which (i) Rich Time has agreed to place, through Kingston, 250,000,000 existing Shares at a placing price of HK\$0.125 per Share; and (ii) Rich Time has conditionally agreed to subscribe for 250,000,000 new Shares at the subscription price of HK\$0.125 per Share. The top-up placing and the top-up subscription were completed on 5 December 2012 and 7 December 2012, respectively, the details of which were set out in the announcement of the Company dated 30 November 2012;
- (h) a new issue placing agreement dated 30 November 2012 entered into between the Company and Kingston pursuant to which the Company has agreed to place, through Kingston, 157,000,000 new Shares at a placing price of HK\$0.125 per Share, which was completed on 7 January 2013. The details of which were set out in the announcements of the Company dated 30 November 2012 and 7 January 2013;
- (i) a sale and purchase agreement dated 22 November 2012 entered into between Gain Better as the vendor and Ever Task Limited (an indirect wholly-owned subsidiary of Wang On) as the purchaser for the sale and purchase of the 1,150,000,000 shares of PNG, representing approximately 14.95% equity interest in PNG at a consideration of HK\$110.4 million or approximately HK\$0.096 per share of PNG, the details of which were set out in the circular of the Company dated 10 December 2012;
- (j) a loan agreement dated 22 November 2012 (as amended by an assignment dated 25 June 2013) entered into between Give Power and Winning Rich) entered into between Give Power as the lender and CAP as the borrower for the provision of an unsecured revolving credit facility in the maximum aggregate amount of HK\$100.0 million at an interest rate of 10.0% per annum for a period of 36 months from 28 December 2012, the details of which were set out in the circular of the Company dated 10 December 2012;

- (k) an amendment deed to the loan agreement dated 10 March 2011 (as further amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich) entered into between Give Power, as the lender, and CAP, as the borrower, on 6 September 2012 for an extension of the repayment date to 30 September 2014 in consideration for an increase in interest rate from 8.0% to 10.0% per annum for an unsecured loan facility of not exceeding a sum of HK\$15.0 million granted to CAP, the details of which were set out in the announcement of the Company dated 6 September 2012;
- (l) an amendment deed to the loan agreement dated 11 January 2011 (as further amended by an assignment dated 25 June 2013 entered into between Give Power and Winning Rich) entered into between Give Power, as the lender, and CAP, as the borrower, on 6 September 2012 for an extension of the repayment date to 30 September 2014 in consideration for an increase in interest rate from 8.0% to 10.0% per annum for an unsecured loan facility of not exceeding a sum of HK\$60.0 million granted to CAP, the details of which were set out in the announcement of the Company dated 6 September 2012; and
- (m) a licence agreement dated 30 June 2012 entered into between the Company, as the licensor, and WOM, as the licensee, in respect of the sub-lease of certain portions of the UG/F, G/F, 1st Floor and 5th Floor of Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for a monthly rental of HK\$154,000 for a term of three years commencing from 1 July 2012, the details of which were set out in the announcement of the Company dated 30 June 2012.

## 8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company's head office and principal place of business in Hong Kong is at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any business day from the date of this circular up to and including the date of the SGM:

- (a) the memorandum and the bye-laws of the Company;
- (b) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this Appendix II;
- (c) the annual reports of the Company for the three financial years ended 31 March 2011, 2012 and 2013; and
- (d) this circular.

## NOTICE OF THE SGM



**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 SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “SGM”) of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司\*) (the “Company”) will be held at 17/F., Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on Thursday, 26 September 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification, as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

- (1) “**THAT**
- (a) the conditional supplemental agreement dated 22 August 2013 (the “**HK\$190 million Loan Supplemental Agreement**”) entered into between Hearty Limited (as the lender) and PNG Resources Holdings Limited (“**PNG**”) (as the borrower) in relation to, inter alia, the extension of the repayment dates of the loan facility of up to HK\$190 million (a copy of which has been marked “A” and produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereby be and are hereby approved, ratified and confirmed; and
  - (b) the directors of the Company (the “**Directors**”) be and are authorised, for and on behalf of the Company, to take all steps necessary or expedient in their opinion to implement and/or give effect to the terms of the HK\$190 million Loan Supplemental Agreement.”

\* For identification purpose only

## NOTICE OF THE SGM

- (2) “**THAT**
- (a) the conditional supplemental agreement dated 22 August 2013 (the “**HK\$10 million Loan Supplemental Agreement**”) entered into between Hearty Limited (as the lender) and PNG (as the borrower) in relation to, inter alia, the extension of the repayment dates of the loan facility of up to HK\$10 million (a copy of which has been marked “B” and produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereby be and are hereby approved, ratified and confirmed; and
  - (b) the Directors be and are authorised, for and on behalf of the Company, to take all steps necessary or expedient in their opinion to implement and/or give effect to the terms of the HK\$10 million Loan Supplemental Agreement.”

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, 9 September 2013

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
5/F., Wai Yuen Tong Medicine Building  
9 Wang Kwong Road  
Kowloon Bay  
Kowloon  
Hong Kong

\* *For identification purpose only*

## NOTICE OF THE SGM

*Notes:*

1. A form of proxy for use at the SGM is enclosed.
2. Any member of the Company (“**Member**”) entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a Member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. The instrument appointing a proxy and 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 the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than forty-eight (48) hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the SGM convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares, any one of such joint holders may vote, either in person or by proxy, in respect of such share(s) as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting (as the case may be), the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members in respect of the joint holding.
6. The above resolutions will be voted by way of a poll at the SGM.