
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 to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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)**

**(1) PROPOSED SPECIAL DIVIDEND BY WAY OF DISTRIBUTION
IN SPECIE OF WOG SHARES AND CAP SHARES;
(2) PROPOSED SHARE PREMIUM REDUCTION; AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 14 of this circular.

A notice convening the SGM to be held on Thursday, 7 March 2024 at 11:00 a.m. (or any adjournment thereof) at 19th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong is set out on pages SGM-1 to SGM-3 of this circular. A proxy form for use at the SGM is enclosed with this circular.

Whether or not you are able to attend and vote in person at the SGM, please complete the accompanying 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 17/F., Far East Finance Centre, 16 Harcourt Road, 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 maybe). 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 maybe) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

15 February 2024

* For identification purpose only

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DEFINITIONS

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

“Board”	the board of the Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“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 ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 149)
“CAP Group”	CAP and its subsidiaries
“CAP Shares”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of CAP
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant(s)”	any person(s) admitted to participate in CCASS as a direct clearing participant, a general clearing participant, a custodian participant, or any CCASS Investor Participant
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“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, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Distribution in Specie”	the proposed distribution of a special dividend by the Company in the form of a distribution in specie of 1,715,665,730 WOG Shares and 5,310,951,597 CAP Shares held by the Group to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date in proportion to their then respective shareholdings in the Company
“Distribution CAP Shares”	all or any of the 5,310,951,597 CAP Shares held by the Group as of the Latest Practicable Date which are subject to the Distribution in Specie
“Distribution WOG Shares”	all or any of the 1,715,665,730 WOG Shares held by the Group as of the Latest Practicable Date which are subject to the Distribution in Specie
“Effective Date”	the date on which the Share Premium Reduction shall become effective, being the date of the SGM at which the relevant special resolution approving the Share Premium Reduction will be considered and, if appropriate, passed by the Shareholders, subject to the fulfillment of certain conditions
“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”	7 February 2024, being the latest practicable date prior to the publication 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
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with Growth Enterprise Market of the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors considered that, in the absence of a registration statement or other special formalities, the Distribution in Specie would or might be unlawful or impracticable
“Overseas Shareholder(s)”	the Shareholder(s) whose respective address as shown on the register of members of the Company on the Record Date is in a place outside Hong Kong

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	18 March 2024, being the date fixed for determining entitlements of the Shareholders to the Distribution in Specie
“SGM”	the special general meeting of the Company to be convened and held at 19th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Thursday, 7 March 2024 at 11:00 a.m. for the purposes of, among others, approving the Distribution in Specie and Share Premium Reduction
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of the Company
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the amount of HK\$950.0 million standing to the credit of the Share Premium Account as at the Effective Date with the credit arising therefrom to be transferred to the Contributed Surplus Account and be applied in such manner as permitted under the laws of Bermuda and the Bye-laws
“Shareholder(s)”	the holder(s) of the Share(s)
“Solvency Test”	(a) the Company is, or would after the payment of dividend be, able to pay its liabilities as they become due; and (b) the realisable value of the Company’s assets would not thereby be less than its liabilities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the ordinary shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)

DEFINITIONS

“WOG Group”	WOG and its subsidiaries
“WOG Shares”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WOG
“%”	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, *GBS, JP*
(Chairman and Managing Director)
Ms. Tang Wai Man
Ms. Law Man Yee, Anita

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Siu Man Ho, Simon
Mr. Li Ka Fai, David, *MH*
Professor Sit Wing Hang, *GBS, JP*
Professor Chan Wing Kwong, *MD*

*Head office and principal place of business
in Hong Kong:*

Suite 3101, 31/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

15 February 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED SPECIAL DIVIDEND BY WAY OF DISTRIBUTION
IN SPECIE OF WOG SHARES AND CAP SHARES;
(2) PROPOSED SHARE PREMIUM REDUCTION; AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

On 25 January 2024, the Company announced (a) the Board's recommendation of a special dividend in the form of a Distribution in Specie of 1,715,665,730 WOG Shares and 5,310,951,597 CAP Shares held by the Group to the Qualifying Shareholders; and (b) the Board's intention to put forward to the Shareholders a proposal to reduce the share premium of the Company.

The purpose of this circular is to provide you with, among others, (a) further information on the Distribution in Specie; (b) further information on the Share Premium Reduction; and (c) a notice convening the SGM.

LETTER FROM THE BOARD

2. SPECIAL DIVIDEND BY WAY OF DISTRIBUTION IN SPECIE

Basis of Entitlement

The Board is pleased to announce that, on 25 January 2024, it has recommended a special dividend to be satisfied by way of a distribution in specie of:

- (i) 1,715,665,730 WOG Shares held indirectly by the Company through Hearty Limited and Suntech Investments Limited (each being an indirect wholly-owned subsidiary of the Company); and
- (ii) 5,310,951,597 CAP Shares held indirectly by the Company through Goal Success Investments Limited (being an indirect wholly-owned subsidiary of the Company)

to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date in proportion to their then respective shareholdings in the Company on the following basis:

for every 200 Shares held 293 WOG Shares and 907 CAP Shares

It is expected that in the event of the Distribution in Specie becoming unconditional, Hearty Limited and Suntech Investments Limited will transfer the Distribution WOG Shares held by them directly to the Qualifying Shareholders, and Goal Success Investments Limited will transfer the Distribution CAP Shares held by it directly to the Qualifying Shareholders.

The Distribution in Specie will be effected by applying a sufficient amount standing to the credit of the Company's contributed surplus account and/or other distributable reserve accounts equivalent to the aggregate of the carrying value of WOG and CAP in the books of account of the Company, which amounts will be ascertained immediately prior to the commencement of the Distribution in Specie. Please also refer to the section headed "3. SHARE PREMIUM REDUCTION" of this circular for further details.

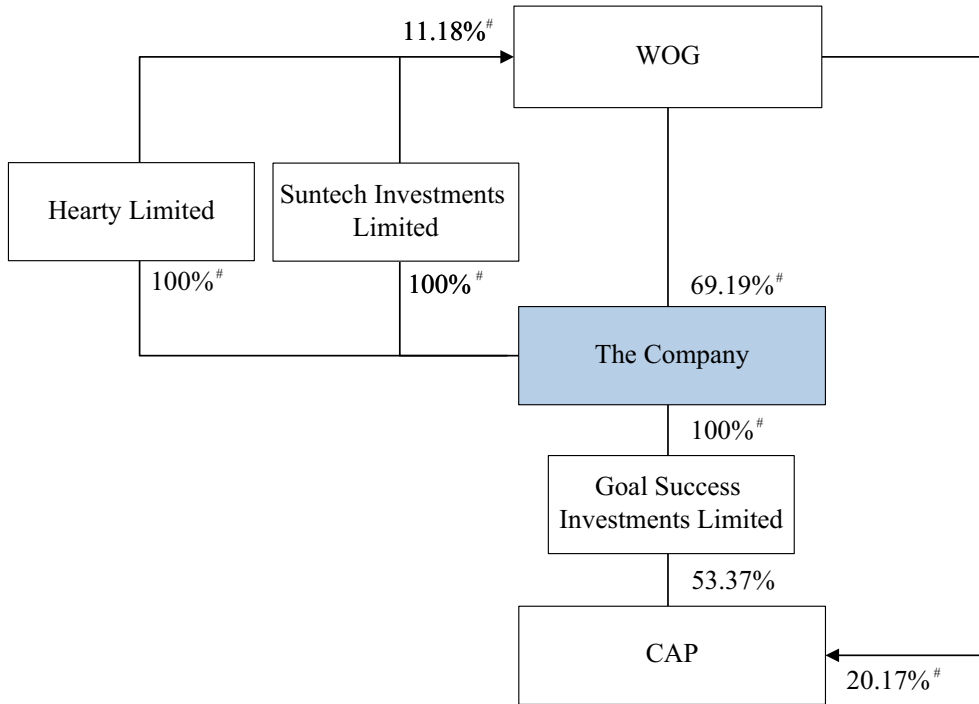
A Qualifying Shareholder holding less than an integral multiple of 200 Shares will be entitled to a pro-rata number of 293 WOG Shares and 907 CAP Shares, being rounded down to the nearest whole number of Distribution WOG Shares and Distribution CAP Shares.

No fraction of a WOG Share or a CAP Share will be distributed. Fractional entitlements to Distribution WOG Shares or Distribution CAP Shares and any Distribution WOG Shares or Distribution CAP Shares left undistributed (other than any Distribution WOG Shares or Distribution CAP Shares sold for the benefit of the Non-Qualifying Shareholders as set out in the section headed "Qualifying Shareholders and Non-Qualifying Shareholders" below) will be sold in the market and the net proceeds of such sale will be retained for the benefit of the Group. If any calculation of a Qualifying Shareholder's entitlement to Distribution WOG Shares or Distribution CAP Shares would result in a fraction of a WOG Share or a CAP Share, such entitlement will be rounded down to the nearest whole number of Distribution WOG Shares or Distribution CAP Shares, respectively.

The Company sets out below a simplified shareholding structure chart of the relevant shareholding immediately before and upon completion of the Distribution in Specie.

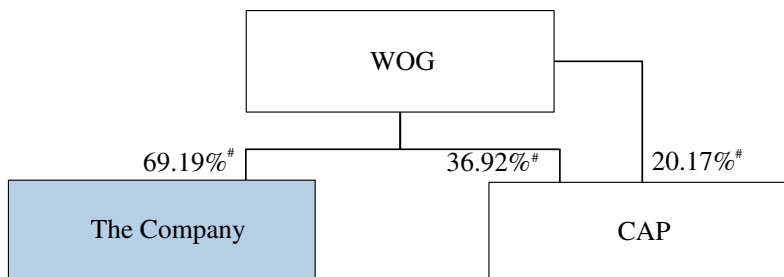
LETTER FROM THE BOARD

Immediately before the Distribution in Specie



through wholly-owned subsidiaries

Immediately upon completion of the Distribution in Specie (assuming the Group has ceased to hold any WOG Shares and CAP Shares)



through wholly-owned subsidiaries

LETTER FROM THE BOARD

The WOG Shares

As at the Latest Practicable Date, the Group held 1,716,749,000 WOG Shares, out of which the 1,715,665,730 Distribution WOG Shares represented approximately 99.94% of the WOG Shares held by the Group and approximately 11.17% of the total number of issued WOG Shares. The Group intends to sell the remaining 1,083,270 WOG Shares held by the Group in the market upon completion of the Distribution in Specie and the net proceeds of such sale will be retained for the benefit of the Group. The WOG Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1222).

The CAP Shares

As at the Latest Practicable Date, the Group held 5,312,395,685 CAP Shares, in which the 5,310,951,597 Distribution CAP Shares represented approximately 99.97% of the CAP Shares held by the Group and approximately 53.36% of the total number of issued CAP Shares. The Group intends to sell the remaining 1,444,088 CAP Shares held by the Group in the market and the net proceeds of such sale will be retained for the benefit of the Group. The CAP Shares are listed on the Main Board of the Stock Exchange (Stock Code: 149).

Qualifying Shareholders and Non-Qualifying Shareholders

The Distribution in Specie will be available to the Qualifying Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date. Neither this circular nor any of documents relating to the Distribution in Specie will be registered or filed under the securities legislation of any jurisdiction.

If there is any Overseas Shareholder based on the register of members of the Company on the Record Date, the Board will consider and may resolve that the Distribution in Specie shall not be made available to any such Overseas Shareholder with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, the Distribution in Specie would or might, in the opinion of the Board, be unlawful or impracticable. The Board will make further arrangements for the Distribution WOG Shares and Distribution CAP Shares which would otherwise have been transferred to such Non-Qualifying Shareholders to be sold in the market as soon as practicable, and the proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the respective Non-Qualifying Shareholders at their own risk, except that net proceeds less than HK\$100 will be retained for the benefit of the Company.

Cheques representing the net proceeds of the sale of the Distribution WOG Shares and Distribution CAP Shares, if any, will be sent to such Overseas Shareholders by mail at their own risk, within fourteen (14) days after the sale of all such Distribution WOG Shares and Distribution CAP Shares. In the absence of bad faith or wilful default, none of the Company or any broker or agent appointed by the Company to effect the sale shall have any liability for any loss whatsoever arising as a result of the timing or the terms of any such sale.

It is the responsibility of any person (including but without limitation a nominee, agent or trustee) receiving this circular and/or any other documents relating to the Distribution in Specie outside Hong Kong and wishing to receive Distribution WOG Shares and Distribution CAP Shares to satisfy himself/herself/

LETTER FROM THE BOARD

itself as to the full observance of the laws of the relevant territory or jurisdiction, including the obtaining of any consents for observing any formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction. Any acceptance of Distribution WOG Shares and Distribution CAP Shares by any Shareholder will be deemed to constitute a representation and warranty from such person to the Company that those local laws and requirements of the relevant territory or jurisdiction have been fully complied with. If you are in any doubt as to your position, you should consult your professional advisers.

Despatch of Share Certificates and CCASS Settlement

Subject to the fulfilment of the conditions of the Distribution in Specie, the share certificates for the Distribution WOG Shares and Distribution CAP Shares are expected to be issued and despatched by mail to the Qualifying Shareholders at their own risk to their respective addresses shown on the register of members of the Company on or about Tuesday, 26 March 2024.

No action is required to be taken by the Qualifying Shareholders to receive the share certificates for the Distribution WOG Shares and Distribution CAP Shares. Investors holding Shares through CCASS Participants are expected to receive the Distribution WOG Shares and Distribution CAP Shares through their respective stockbrokers or custodians or through their CCASS Investor Participant stock accounts following the despatch of share certificates. Such investors should seek the advice of their respective stockbrokers or other professional advisers in case of doubt.

In the case of a joint holding of Shares, the share certificate(s) for the Distribution WOG Shares and Distribution CAP Shares will be posted to the address of the person whose name stands first on the register of members of the Company in respect of such Shares on the Record Date.

Odd lot matching service for the Distribution WOG Shares and Distribution CAP Shares

The Company has, at its own cost, appointed Kingston Securities Limited to provide matching services for the sale and purchase of odd lots of Distribution WOG Shares or Distribution CAP Shares, on a best effort basis, to those entitled to the Distribution in Specie who wish to acquire odd lots of Distribution WOG Shares or Distribution CAP Shares to make up a full board lot or to dispose of their odd lots of Distribution WOG Shares or Distribution CAP Shares.

Qualifying Shareholders who wish to utilise the service should contact Mr. James Lee at (852) 2298 6228 during the period from 9:00 a.m. on Wednesday, 27 March 2024 to 4:00 p.m. on Wednesday, 10 April 2024. Holders of odd lots of Distribution WOG Shares or Distribution CAP Shares should note that successful matching of such sale and purchase is not guaranteed.

LETTER FROM THE BOARD

Closure of Register of Members for determining the entitlement to the Distribution in Specie

The register of members of the Company will be closed from Wednesday, 13 March 2024 to Monday, 18 March 2024, both days inclusive, for determining the entitlement of Shareholders to the Distribution in Specie. During this period, no transfer of Shares will be effected. In order for a Shareholder to qualify for the Distribution in Specie, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 12 March 2024.

Conditions of the Distribution in Specie

The Distribution in Specie will be conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Distribution in Specie; and
- (b) the Share Premium Reduction becoming effective.

Reasons for and Benefits of the Distribution in Specie

The Board recommends the Distribution in Specie to reward the support of the Shareholders, allow the Company to focus and strengthen its resources on its core businesses (being the manufacturing and retailing of pharmaceutical and health food products as well as personal care products), and to streamline the corporate structure of the Company and its group companies, particularly to eliminate the cross shareholding involving the Company and WOG.

The Board also considered that the Distribution in Specie will provide the Shareholders with an opportunity to participate, as shareholders of WOG and CAP, in the growth and prospects of WOG and CAP directly, instead of being through the Company, and they may determine their own level of participation in WOG and CAP at their own discretion.

Accordingly, the Directors consider that the Distribution in Specie is in the interests of the Company and the Shareholders as a whole.

Effects of the Distribution in Specie

Immediately after completion of the Distribution in Specie and taking into account the expenses (including the applicable stamp duty which will be payable by the Group) to be incurred in relation to the Distribution in Specie, the Company's assets will decrease and there will be no impact on the Company's liabilities. Upon completion of the Distribution in Specie, the Group will cease to hold the Distribution WOG Shares or Distribution CAP Shares. Accordingly, the CAP Group will cease to be subsidiaries of the Company.

LETTER FROM THE BOARD

3. SHARE PREMIUM REDUCTION

The Board intends to put forward to the Shareholders a proposal to reduce the share premium of the Company pursuant to the laws of Bermuda and the Bye-laws. The amount standing to the credit of the Share Premium Account as at 30 September 2023, based on the unaudited consolidated financial statements of the Company, was approximately HK\$2,082.7 million. It is proposed that an amount of HK\$950.0 million standing to the credit of the Share Premium Account as at the Effective Date be reduced in accordance with section 46 of the Companies Act and Bye-law 6 of the Bye-laws and that the credit arising therefrom be transferred to the Contributed Surplus Account, subject to the conditions set out in the section headed “Conditions of the Share Premium Reduction” in this circular.

Conditions of the Share Premium Reduction

The Share Premium Reduction will be conditional upon:

- (a) the passing of a special resolution by the Shareholders at the SGM to approve the Share Premium Reduction; and
- (b) the Directors having been satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is or after the Share Premium Reduction would be unable to pay its liabilities as they become due.

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the date of passing of the special resolution to approve the Share Premium Reduction at the SGM.

Reasons for and Benefits of the Share Premium Reduction

The Share Premium Reduction is a pre-condition for achieving the Distribution in Specie. In order to allow the Company to have sufficient distributable reserves to permit the Distribution in Specie, the Board proposes that the Share Premium Reduction be effected.

Pursuant to the Companies Act and the Bye-laws, subject to the Solvency Test, the Company may pay dividends or make distributions to its members out of the Contributed Surplus Account. The Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company, thereby allowing the Company to make the Distribution in Specie to the Shareholders, as well as giving the Company greater flexibility in its dividend policy and making distributions to the Shareholders in the future.

Accordingly, the Directors consider that the Share Premium Reduction is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Effects of the Share Premium Reduction

The Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the expenses to be incurred in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have a material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders in the underlying assets of the Company.

The Directors are of the view that there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction becoming effective would be, unable to pay its liabilities as they become due.

4. EXPECTED TIMETABLE

The expected timetable for the implementation of the Distribution in Specie and Share Premium Reduction is as follows:

SGM	Thursday, 7 March 2024
Expected Effective Date of the Share Premium Reduction	Thursday, 7 March 2024
Last day of dealing in the Shares cum-entitlements to the Distribution in Specie	Friday, 8 March 2024
First day of dealing in the Shares ex-entitlements to the Distribution in Specie	Monday, 11 March 2024
Latest time for lodging transfer of the Shares to qualify for the Distribution in Specie	4:30 p.m. on Tuesday, 12 March 2024
Closure of register of members of the Company for determination of entitlements to the Distribution in Specie	Wednesday, 13 March 2024 to Monday, 18 March 2024
Record Date for determination of entitlements to the Distribution in Specie	Monday, 18 March 2024
Expected date of despatch of share certificates of WOG and CAP to the Qualifying Shareholders	Tuesday, 26 March 2024
Odd lot matching	9:00 a.m. on Wednesday, 27 March 2024 to 4:00 p.m. on Wednesday, 10 April 2024

Note: all times in this circular refer to Hong Kong local time. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD

5. INFORMATION ON THE GROUP

The Group is principally engaged in (i) the manufacturing and retailing of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of “Wai Yuen Tong”, mainly in the PRC and Hong Kong; (ii) the manufacturing and sale of Western pharmaceutical and health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”; (iii) property investment; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, an approximately 53.37%-owned listed subsidiary of the Company.

6. INFORMATION ON THE WOG GROUP

The WOG Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and/or the PRC; (ii) property investment, property development and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.0%-owned listed subsidiary of WOG; (iii) manufacturing and retailing of pharmaceutical and health food products through the Company, an approximate 69.19%-owned listed subsidiary of WOG; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, an approximate 73.54%-owned listed subsidiary of WOG, amongst which approximately 53.37% is owned by the Group.

7. INFORMATION ON THE CAP GROUP

The CAP Group is principally engaged in the business of management and sale of properties in agricultural produce exchange markets in the PRC.

8. SPECIAL GENERAL MEETING

The SGM will be held for the purpose of considering and, if thought fit, approving, among others, the Distribution in Specie and the Share Premium Reduction, by the Shareholders by way of poll.

A notice convening the SGM at which resolutions will be proposed to the Shareholders to consider and, if thought fit, approve, among others, the Distribution in Specie and the Share Premium Reduction, is contained on pages SGM-1 to SGM-3 of this circular.

A form of proxy for the use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM (i.e. at or before 11:00 a.m. on Tuesday, 5 March 2024) or any adjournment thereof. 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 should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules and the Bye-laws, the voting of the Shareholders at the SGM will be taken by poll. The results of the poll will be published on the websites of the Company and the Stock Exchange.

LETTER FROM THE BOARD

As no Shareholder has an interest in the Distribution in Specie and Share Premium Reduction which is different from other Shareholders, at the SGM, no Shareholder is required to abstain from voting on the ordinary resolution to consider and approve the Distribution in Specie and the special resolution to consider and approve the Share Premium Reduction.

9. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 4 March 2024 to Thursday, 7 March 2024, both days inclusive, for determining the identity of the Shareholders entitled to attend and vote at the SGM. During this period, no transfer of Shares will be effected. In order for a Shareholder to be entitled to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 1 March 2024.

The register of members of the Company will also be closed from Wednesday, 13 March 2024 to Monday, 18 March 2024, both days inclusive, for determining the entitlement of Shareholders to the Distribution in Specie. During this period, no transfer of Shares will be effected. In order for a Shareholder to qualify for the Distribution in Specie, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 12 March 2024.

10. RESPONSIBILITY STATEMENT

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

11. RECOMMENDATION

The Directors believe that the Distribution in Specie and Share Premium Reduction are in the interests of the Company and its Shareholders and recommend the Shareholders to vote in favour of the relevant resolutions at the SGM.

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 Wai Man
Executive Director

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 a special general meeting (the “SGM”) of Wai Yuen Tong Medicine Holdings Limited (the “Company”) will be held at 19th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Thursday, 7 March 2024 at 11:00 a.m. to consider and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTION

- (1) “**THAT** subject to the Share Premium Reduction (as defined in resolution no. (2) of the notice convening this meeting) taking effect:
 - (a) a special dividend be and is hereby declared and paid in the form of a distribution in specie (the “**Distribution in Specie**”) of 1,715,665,730 shares in the issued and paid-up share capital of Wang On Group Limited (宏安集團有限公司)* (“**WOG**”) and 5,310,951,597 shares in the issued and paid-up share capital of China Agri-Products Exchange Limited 中國農產品交易有限公司 (“**CAP**”) held by the Company and/or its subsidiaries to the shareholders of the Company whose names appear on the register of members of the Company on 18 March 2024 on the basis of 293 shares of WOG and 907 shares of CAP for every 200 shares of the Company held and on the terms and subject to the exclusions described in the circular of the Company dated 15 February 2024, and the Distribution in Specie be paid out of the contributed surplus account and/or other distributable reserve accounts of the Company; and
 - (b) any director of the Company be and is hereby authorised to effect the Distribution in Specie, to do all such acts and things, and to approve, sign and execute (including affixing the common seal of the Company where required) all such documents, as such director may consider necessary, desirable or expedient, for the purposes of or incidental to the Distribution in Specie.”

NOTICE OF THE SGM

SPECIAL RESOLUTION

- (2) “**THAT** subject to and conditional upon compliance with section 46(2) of the Companies Act 1981 (as amended) of Bermuda, and with effect from the day of passing this special resolution or upon the day on which the above condition is fulfilled (whichever is the later) (the “**Effective Date**”):
- (a) approximately HK\$2,082.7 million standing to the credit of the share premium account of the Company on the Effective Date be reduced by HK\$950 million to approximately HK\$1,132.7 million, and that the credit arising therefrom be transferred to the contributed surplus account of the Company (the “**Share Premium Reduction**”);
- (b) the board of directors of the Company or a committee thereof be and is authorised to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as it considers appropriate from time to time, including but not limited to the Distribution in Specie (as defined in resolution no. (1) of the notice convening this meeting) without further authorisation from the shareholders of the Company, and all such actions in relation thereto be approved, confirmed and ratified; and
- (c) any director of the Company be and is hereby authorised generally to carry out all acts and things, and to approve, sign and execute (including affixing the common seal of the Company where required) all such documents, which they may consider appropriate, necessary or desirable to give effect to or to implement the Share Premium Reduction and the foregoing.”

By Order of the Board
WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司*)
Tang Wai Man
Executive Director

Hong Kong, 15 February 2024

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 3101, 31/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

NOTICE OF THE SGM

Notes:

1. A form of proxy for use at the SGM is enclosed.
2. The register of members of the Company will be closed from Monday, 4 March 2024 to Thursday, 7 March 2024, both days inclusive, for determining the identity of the shareholders entitled to attend and vote at the SGM. During this period, no transfer of shares will be effected. In order for a shareholder to be entitled to attend and vote at the SGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 1 March 2024. Shareholders whose names appear on the register of members of the Company on Thursday, 7 March 2024 shall be entitled to attend and vote at the SGM.
3. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one proxy or, if such member is a holder of more than one share of the Company, more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
4. In order to be valid, a form of proxy, together with 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, 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and 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).
5. Completion and delivery of the form of proxy will not preclude members from attending and voting at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any shares of the Company, any one of such holders may vote at the SGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the SGM 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 holder.
7. The above resolutions will be voted by way of a poll at the SGM.

** For identification purpose only*