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長春達興藥業股份有限公司

CHANGCHUN DA XING PHARMACEUTICAL COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

**PROPOSED AMENDMENTS TO
THE ARTICLES OF ASSOCIATION OF THE COMPANY**

In view of certain amendments made to the GEM Listing Rules relating to corporate governance issues effective on 31 March 2004, the Board of the Company proposes to amend the Articles of Association of the Company.

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of special resolution at the AGM. This announcement is made pursuant to Rule 17.50(1) of the GEM Listing Rules.

In view of certain amendments made to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) relating to corporate governance issues which will become effective on 31 March 2004 subject to certain transitional arrangements, the Board of Directors (the “Board”) of Changchun Da Xing Pharmaceutical Co. Ltd. (the “Company”) announces that at a meeting of the Board held on 18 March 2004, the Board proposed to the shareholders of the Company for approval of the following amendments to the Articles of Association of the Company (the proposed changes are marked up for ease of reference):

Article 8.11

(a) That the third paragraph of Article 8.11 be amended as follows:

“If a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (or its nominee) is a shareholder of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of shareholders of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised pursuant to this provision shall be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house (or its nominee) could exercise if it were an individual shareholder of the Company.”

* For identification only

Article 8.19

(b) That Article 8.19 be amended as follows:

“A resolution put to vote shall be decided on a show of hands unless specifically required under the GEM Listing Rules or any other applicable laws, rules or regulations to be by poll or unless demanded by any of the following persons for a poll before or after the declaration of the result of the show of hands:

- (1) the Chairman of the meeting;
- (2) at least two shareholders present in person or by proxy and entitled to vote;
- (3) any shareholder or shareholders present in person or by proxy and representing in the aggregate not less than (inclusive) one-tenth of the total voting rights of all shareholders having the right to vote at the meeting.

Unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried and an entry to that effect in the minutes of the relevant meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Any demand for a poll may be withdrawn.”

Article 8.28

(c) That the following paragraph be added to Article 8.28 as second paragraph of Article 8.28:

“Where any shareholder who, to the Company’s knowledge is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

Article 10.01

(d) That Article 10.01 shall be amended as follows:

“The Company shall establish a board of directors. The board of directors shall be composed of 9 directors including 3 independent non-executive directors (referring to directors independent from shareholders of the Company and not working with the Company). The board shall consist of, 1 chairman and 8 directors, out of which 3 shall be independent non-executive directors and 1 shall be non-executive director. Directors shall deal with matters authorized by the Board.”

Article 10.02

(e) That the second paragraph of Article 10.02 be amended as follows:

“The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a Director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least 7 days. The aforesaid period for lodgment of the notices will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.”

Article 10.08

(f) That the second paragraph of Article 10.08 be amended as follows:

“A Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as such term is defined in the GEM Listing Rules) has a material interest nor shall he be counted in the quorum present at the same board meeting.”

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of special resolution at the annual general meeting (“AGM”) of the Company to be held at No. 655 Chuang Ju Street, High and New Technology Industrial Development Zone, Changchun, Jilin Province, the PRC, on Friday, 14 May 2004 at 9:00 a.m. Details of the special resolution approving the above amendments to the Articles of Association are set out in the AGM Notice dated 18 March 2004.

By Order of the Board
YAU Wing Yiu
Company Secretary

Hong Kong, 18 March 2004

This announcement, for which the directors of Changchun Da Xing Pharmaceutical Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Changchun Da Xing Pharmaceutical Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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