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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)*

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Changchun Da Xing Pharmaceutical Company Limited (the "Company") will 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. to consider the following businesses:

### **I. As ordinary resolutions:**

1. To review and approve the report of the directors, audited financial statements and auditors' report for the year 2003.
2. (i) To appoint Ms. Lu Yin Hua as new executive director;  
(ii) to re-designate Mr. Lu De Yi as non-executive director;  
(iii) to appoint Mr. Zhang Zhong Sheng as new independent non-executive director; and  
(iv) to appoint Ms. Gao Yan as a new supervisor.
3. To consider and approve the dividend distribution proposal for the year 2003.
4. To review and approve the remuneration of directors and supervisors for 2004 and the year-end rewards for 2003.
5. To review and approve the re-appointment of Shu Lun Pan Certified Public Accountants Co., Ltd. and Horwath Hong Kong CPA Limited as the Company's domestic and overseas auditors respectively, for the year 2004 with a term of office until the conclusion of next annual general meeting, whose remunerations are fixed by the board of directors of the Company.

\* For identification only

## II. As a special resolution:

6. To consider and approve the amendments of the articles of association of the Company (the “Articles”) based on their existing context and in accordance with Appendix 3 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) as revised and effective from 31st March 2004. Details of the amendments to the Articles are set out as follows (the proposed changes are marked up for ease of reference):

Since the original text of Articles are in Chinese language, so far as the proposed amendments of Articles are concerned, the Chinese text of the amended Articles as shown in the Chinese version of this notice shall prevail over the English text in case of inconsistency.

### *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 shareholders of the Company.”

### *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 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 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.”

By order of the Board  
**YAU Wing Yiu**  
Company Secretary

*Notes:*

1. Any member of the Company entitled to attend and vote at the aforesaid meeting is entitled to appoint one or more proxies to attend and vote on his behalf at the meeting in accordance with the article of association of the Company. A proxy needs not be a member of the Company.
2. To be valid, the form of proxy together with, if the form of proxy is signed by another person on behalf of the appointor under the power of attorney or other authority documents, a copy of the power of attorney or other authority documents certified by the notarial solicitor must be delivered at Hong Kong Registrars Limited on Rooms 1901-1905, 19/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "Company's Shares Registrar"), no later than 24 hours before the time appointed for holding the meeting or vote.
3. If an individual shareholder appoints a proxy to attend the meeting, such proxy should produce the power of attorney and proof of his/her identity when attending; if a corporate shareholder appoints a proxy to attend the meeting, such proxy should produce proof of his/her identity and legal representative or the copy of the resolution (which is certified by a notary public) of the Board of the corporate shareholder or other decision-making authorities under which he/she is appointed.
4. The register of members of H shares of the Company will be closed from Wednesday, 14 April 2004 to Friday, 14 May 2004 (both dates inclusive), during which no transfer of shares will be registered.
5. Those shareholders whose names stand on the register on Wednesday, 14 April 2004 are entitled to attend and vote at the meeting.
6. The shareholders who intend to attend the meeting should complete and lodge the reply slip at the Company's legal address (No. 655 Chuang Ju Street, High and New Technology Industrial Development Zone, Changchun, Jilin Province, the PRC) before Saturday, 24 April 2004. The receipt can be delivered in person or by mail, telegram or fax (fax number: 86-431-5531 036).
7. The annual general meeting will not last for more than half a day. Attendants shall bear their own traveling and accommodation expenses.

*This announcement, for which the directors of the 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 enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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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