

**THIS SUPPLEMENTAL 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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Changchun Da Xing Pharmaceutical Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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



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)*

**(Stock Code: 8067)**

**SUPPLEMENTAL CIRCULAR  
TO SHAREHOLDERS  
RELATING TO  
APPOINTMENT OF DIRECTORS AND ADJOURNMENT OF  
THE 2005 ANNUAL GENERAL MEETING**

This supplemental circular should be read together with the Notice of Annual General Meeting of Changchun Da Xing Pharmaceutical Company Limited which is set out on pages 45 and 46 of the 2004 Annual Report. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed new proxy form in accordance with the instructions printed thereon to the Company's registrar, Hong Kong Registrars Limited on 46/F., Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for holding the meeting. Completion and return of the new proxy form shall not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

*This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

## CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company originally scheduled to be held at No.655 Chuang Ju Street, High and New Technology Industrial Development Zone, Changchun, Jilin Province, the PRC on Friday, 20 May 2005 at 9:00 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“AGM Notice”	the notice date 21 March 2005 for convening the AGM as set out on pages 45 to 46 of the 2004 Annual Report;
“Board”	the board of Directors;
“Company”	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 PRC with its H Shares listed on GEM;
“Directors”	the directors of the Company;
“Domestic Shares”	domestic shares of nominal value of RMB0.10 each in the share capital of the Company, which are subscribed for in RMB;
“GEM”	the Growth Enterprise Market operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“H Shares”	overseas listed foreign shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in HK\$;
“Latest Practicable Date”	5 May 2005, being the latest practicable date prior to printing of this supplemental circular for the purpose of ascertaining certain information contained in this supplemental circular;

\* For identification purposes only

## DEFINITIONS

“PRC”	the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of Domestic Shares or the H Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC.

## LETTER FROM THE BOARD



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)*

**(Stock Code: 8067)**

*Executive Directors:*

Feng Zhen Wen (*Chairman*)

Yu Cheng Kun

Li Xiu Jie

Guo Bin

Lu Yin Hua

*Registered Office:*

No.655 Chuang Ju Street

High and New Technology Industrial  
Development Zone

Changchun, Jilin Province, the PRC

*Non-Executive Director:*

Lu De Yi

*Principal place of business*

*in Hong Kong:*

21/F., New World Tower 1

18 Queen's Road, Central, Hong Kong

*Independent non-executive Directors:*

Yang Shi Jie

Sun Xiao Bo

Zhang Zhong Sheng

10 May 2005

*To the Shareholders*

Dear Sir/Madam,

### **APPOINTMENT OF DIRECTORS AND ADJOURNMENT OF THE 2005 ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

This supplemental circular should be read together with the AGM Notice which contains information on, *inter alia*, the appointment of Directors at the AGM. Further to the Company's announcement dated 3 May 2005, the purpose of this supplemental circular is to provide you with further information relating to the appointment of Directors and adjournment of the AGM.

#### **2. ADDITIONAL CANDIDATES**

According to Article 10.02 of the Articles of Association, it is provided that 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

\* For identification purposes only

## LETTER FROM THE BOARD

such person of his willingness to be elected may be given, will be at least seven 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 seven days prior to the date of such meeting.

Subsequent to the despatch of the AGM Notice, the Company has received from Shareholders notifications of their intention to propose for appointment of the following three persons as Directors at the AGM pursuant to Article 10.02 of the Articles of Association. The Company has also received notice of willingness to be appointed as Directors at the AGM from each of the following persons:

1. Ms Qu Lian Qin (as executive Director)
2. Mr Zhang Dong Hai (as executive Director)
3. Mr Dong Guo Jhi (as non-executive Director)

### **3. WITHDRAWAL OF RESOLUTIONS OF RE-APPOINTMENT OF DIRECTORS**

On 29 April 2005, each of the following three existing executive Directors notified the Company of the withdrawal of his consent to be re-appointed as a Director. Accordingly, Shareholders should note that no resolution for re-appointment of each of the following existing Directors is expected to be put to the AGM for voting.

1. Mr Feng Zhen Wen ("Mr Feng")
2. Ms Li Xiu Jie ("Ms Li")
3. Ms Lu Yin Hua ("Ms Lu")

Owing to the persistent personal health problems of Mr Feng and Ms Li, they considered themselves to be more appropriate to take more rest and, therefore should retire from their respective office of Director at the AGM. As regards Ms Lu, the Board understands that she has decided to pursue a master degree in biological engineering. Ms Lu will retire from her office of Director at the AGM so that she could devote more time to her educational development. Each of Mr Feng, Ms Li and Ms Lu has confirmed with the Board that there are no matters which need to be brought to the attention of the Shareholders upon their retirement.

Mr Feng is the Chairman of the Board. Ms Li is responsible for the financial and accounting management of the Company whereas Ms Lu is responsible for quality control, quality assurance and technology improvements.

Since the Company has an established management system, the Board is not aware of any material adverse effect on the Company's operation upon retirement of the above three executive Directors based on the best knowledge, information and belief of the Board as at the Latest Practicable Date.

## LETTER FROM THE BOARD

### 4. NON-EXECUTIVE DIRECTOR

On 29 April 2005, the Company has received from a Shareholder notification of intention to propose for appointment of Mr Lu De Yi ("Mr Lu") as an executive Director at the AGM pursuant to Article 10.02 of the Articles of Association. The Company has also received Mr Lu's willingness to be so appointed. Mr Lu has notified the Company on the same date of the withdrawal of his consent to be re-appointed as a non-executive Director.

### 5. ADJOURNMENT OF AGM

In order to allow more time for the Shareholders to consider the action to be taken at the AGM in respect of the additional proposed candidates, the Board has decided, according to Article 8.05 of the Articles of Association, to adjourn the AGM to Tuesday, 28 June 2005 at 9:00 a.m. at No.655 Chuang Ju Street, High and New Technology Industrial Development Zone, Changchun, Jilin Province, the PRC.

The biographies of the additional proposed candidates supplied by the relevant Shareholders to the Company are set out in the Appendix of this supplemental circular for Shareholders' information. **Shareholders are advised to read this supplemental circular together with the 2004 Annual Report and the AGM Notice for complete information of all candidates and the voting arrangements.**

### 6. SECOND PROXY FORM

As a result of the additional proposed resolutions received from Shareholders subsequent to the despatch of the AGM Notice, the proxy form sent together with the AGM Notice and 2004 Annual Report of the Company (the "First Proxy Form") does not contain the proposed resolutions for the appointment of the additional candidates set out in this supplemental circular. In this connection, a new proxy form (the "Second Proxy Form") has been prepared and is enclosed with this supplemental circular.

Shareholders are requested to complete the Second Proxy Form in accordance with the instructions printed thereon and return it to the office of the Company's registrar, Hong Kong Registrars Limited, at 46/F., Hopwell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM (the "Closing Time"). Special arrangements about the Second Proxy Form are also set out in the Appendix of this supplemental circular. Shareholders who have appointed or intend to appoint proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

## LETTER FROM THE BOARD

### 7. RIGHT TO DEMAND A POLL

Pursuant to Article 8.19 of the Articles of Association, 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 law, 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 the aggregate not less than (inclusive) one-tenth of the total voting rights of Shareholders having the right to vote at the meeting.

Yours faithfully,  
By Order of the Board  
**Feng Zhen Wen**  
*Chairman*

Changchun, the PRC, 10 May 2005



## ADDITIONAL CANDIDATES

The candidates proposed by Shareholders in accordance with Article 10.02 of the Articles of Association subsequent to the despatch of the AGM Notice, together with the biographies of those candidates provided by the Shareholders concerned, are set out below in alphabetical order.

**Mr Dong Guo Jhi** (董國志先生), aged 56, research student of Master of Economics. Mr Dong worked in various government departments of Jilin Province, PRC between 1973 to 1995 with the last position as Deputy Mayor of Tonghua City, Jilin Province. Mr Dong is the Chairman of Zhuhai City Yi Cheng Investment Company Limited\* (珠海市億誠投資有限公司). Mr Dong did not hold any directorship in listed company for the last three years.

Mr Dong confirmed that he has no relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at Latest Practical Date, Mr Dong holds 260,000 H Shares within the meaning of Part XV of the SFO. Save as disclosed herein, Mr Dong does not hold any interest in shares of the Company as at the Latest Practical Date.

**Ms Qu Lian Qin** (曲連琴女士), aged 49, holds a Master degree in Business Administration. Ms Qu has over 5 years experience in corporate management and corporate finance. Ms Qu is the Chairman of Dongyuan Investment Consultancy (H.K.) Limited, BCT Global Development Limited and Jilin Natural Pharmatech Co., Limited. Ms Qu was a non-executive director of Jilin Province Huinan Changlong Bio-pharmacy Company Limited, a company list in GEM and was resigned on 22 May 2002. In addition, since January 2005, Ms Qu is also the Chairman of "Global Pharmatech, Inc", a company listed in the NASDAQ, USA. Save as disclosed herein, Ms Qu did not hold any directorship in listed company for the last three years.

Ms Qu confirmed that she has no relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at Latest Practical Date, Ms Qu holds 19,140,000 H Shares within the meaning of Part XV of the SFO. Save as disclosed herein, Ms Qu does not hold any interest in shares of the Company as at the Latest Practical Date.

**Mr Zhang Dong Hai** (張東海先生), aged 35, holds a Bachelor degree. Mr Zhang has over 7 years experience in corporate finance. Mr Zhang is the Deputy General Manger of Dongyuan Investment Consultancy (H.K.) Limited. Mr Zhang did not hold any directorship in listed company for the last three years.

Mr Zhang confirmed that he has no relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at Latest Practical Date, Mr Zhang does not hold any interests in shares of the Company within the meaning of Part XV of the SFO.

\* For identification purposes only

According to Article 10.02 of the Articles of Association, the term of office of Directors is 3 years and is eligible to offer themselves for re-election upon retirement. The remuneration of Directors is subject to the approval by the Shareholders in the annual general meeting by reference to their duties and responsibilities.

## SECOND PROXY FORM

A Shareholder who has not yet lodged the First Proxy Form with the Company's registrar is requested to lodge the Second Proxy Form if he wishes to appoint proxies to attend the AGM on his behalf. In this case, the First Proxy form should not be lodged with the Company's registrar.

A Shareholder who has already lodged the First Proxy Form with the Company's registrar should note that:

- (i) If no Second Proxy Form is lodged with the Company's registrar, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him. The proxy so appointed by the Shareholder will be entitled to vote at his discretion or abstain on any resolution properly put to the AGM other than those referred to in the AGM Notice and the First Proxy Form, including a resolution for the appointment of an additional candidate set out in this supplemental circular as Director.
- (ii) If the Second Proxy Form is lodged with the Company's registrar before the Closing Time, the Second Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder and will revoke and supersede the First Proxy Form previously lodged by him.
- (iii) If the Second Proxy Form is lodged with the Company's registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the Second Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Second Proxy Form) will not be counted in any poll which may be taken on a proposed resolution. Accordingly, Shareholders are advised to **complete the Second Proxy Form carefully and not to lodge the Second Proxy Form after the Closing Time**. If such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.

Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Second Proxy Form will not preclude Shareholders from attending and voting at the AGM or any adjourned meeting should they so wish.