

---

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

---

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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.

This circular, for which the Directors 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 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: (1) the information contained in this circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**If you are in any doubt** as to any aspect of this circular or as to the action to be take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional advisor.

**If you have sold or transferred** all yours shares in New Chinese Medicine Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.



## **New Chinese Medicine Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(STOCK CODE : 8085)**

### **CHANGE OF AUDITORS AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

---

The notice convening the extraordinary general meeting ("EGM") of the Company to be held at Meeting Room, 1/F, Wing Fai Shopping Arcade, 52 Wing Kwong Street, Hunghom, Kowloon, Hong Kong on Monday, 23<sup>rd</sup> May, 2005 at 10:00 a.m. is set out in this circular. If you do not intend to attend and vote at the EGM, you are requested to complete the enclosed form of proxy and return it in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

*This circular will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting.*

6<sup>th</sup> May, 2005

---

## 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 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 characteristic 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 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. Listed companies are not generally required to issue paid reports in gazette 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.

---

## LETTER FROM THE BOARD

---



### NEW CHINESE MEDICINE HOLDINGS LIMITED

( 新醫藥控股有限公司 )

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8085)

*Executive Directors:*

Wong Cheah Foo (*Chairman*)

Leung Oi Wah

Kam Yiu Ming, Wilfred

Gao Junqing

Lin Daquan

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681GT

George Town

Grand Cayman

Cayman Islands

British West Indies

*Independent Non-Executive Directors:*

Junya Kabeya

Chu Kar Wing

Loke Hoi Lam

*Head office and principal  
place of business:*

1st Floor

Wing Fai Shopping Arcade

52 Wing Kwong Street

Hunghom, Kowloon

Hong Kong

6<sup>th</sup> May, 2005

*To the Shareholders*

Dear Sir and Madam,

### APPOINTMENT OF AUDITORS

The Company announced on 6<sup>th</sup> May, 2005 that Messrs. TK Choi And Company and P Tse & Company (“TKC”) have tendered its resignation as joint auditors of the Company and its subsidiaries with effect on 18<sup>th</sup> April, 2005. The Board has appointed, subject to be approved in the forthcoming extraordinary general meeting, with effect on 23<sup>rd</sup> May, 2005 Messrs. HLB Hodgson Impey Cheng, Certified Public Accountants (“HLB”) to fill the vacancy as auditors of the Company.

---

## LETTER FROM THE BOARD

---

In accordance with the articles of association of the Company, an ordinary resolution will have to be tabled for approval by the members of the Company at an extraordinary general meeting (“EGM”). The Board issued an announcement on Change of Auditors and Notice of Extraordinary General Meeting on 18<sup>th</sup> April, 2005 and the proxy form was issued on 28<sup>th</sup> April, 2005. The EGM was held on 3<sup>rd</sup> May, 2005 for the purpose of appointment of auditors and result of the meeting was announced on 4<sup>th</sup> May, 2005. However, due to technicality reasons, an EGM will be held again at Meeting Room, 1/F, Wing Fai Shopping Arcade, 52 Wing Kwong Street, Hunghom, Kowloon, Hong Kong on Monday, 23<sup>rd</sup> May, 2005 at 10:00 a.m. to approve the appointment of new auditors to fill the vacancy as auditors of the Company.

The Directors of the Company (“the Directors”) cannot accept the proposed audit fees from TKC. To the best of knowledge of the Directors, there is no disagreement with TKC. In the letter of resignation of TKC, there are no circumstances connected with their resignation which should be brought to the attention of The Stock Exchange of Hong Kong Limited and members of the Company. TKC has not commenced the audit for year ended 31<sup>st</sup> March, 2005. The Directors consider HLB’s experiences appropriate in handling the audit of the Company.

Subject to the passing of the following referred resolution in the EGM being convened, HLB is to be appointed as auditors of the Company with effect from 23<sup>rd</sup> May, 2005 until the conclusion of the next Annual General Meeting of the Company.

An ordinary resolution will be proposed at the EGM to approve the appointment of HLB as auditors of the Company and to authorise the Board of Directors to fix the remuneration of the auditors. The EGM is to be held at Meeting Room, 1/F, Wing Fai Shopping Arcade, 52 Wing Kwong Street, Hunghom, Kowloon, Hong Kong on 23<sup>rd</sup> May, 2005 (Monday) at 10:00 a.m. The notice of EGM is included in this circular. HLB is aware of the year-end results release requirements and will work towards meeting them.

If you do not intend to attend the EGM, you are required to complete the form of proxy and return it in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you wish.

---

## LETTER FROM THE BOARD

---

### PROCEDURE TO DEMAND POLL

A resolution put to the vote at the EGM will be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the EGM; or
- (b) at least three Shareholders present in person or by representative(s) or by proxy/proxies and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the EGM; or
- (d) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and holding Shares conferring a right to attend and vote at the EGM on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

### RECOMMENDATION

The Directors consider that the appointment of HLB as the auditors of the Company is in the best interests of the Company and its Shareholders and therefore recommend you to vote in favour of the resolutions at the forthcoming EGM. The Directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully,  
For and on behalf of  
**New Chinese Medicine Holdings Limited**  
**Wong Cheah Foo**  
*Chairman*

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of New Chinese Medicine Holdings Limited (the "Company") will be held at Meeting Room, 1/F, Wing Fai Shopping Arcade, 52 Wing Kwong Street, Hunghom, Kowloon, Hong Kong on Monday, 23<sup>rd</sup> May, 2005 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

"THAT HLB Hodgson Impey Cheng, Certified Public Accountants be hereby appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the board of directors of the Company to fix the auditors' remuneration."

By Order of the Board  
New Chinese Medicine Holdings Limited  
Wong Cheah Foo  
Chairman

Hong Kong, 6<sup>th</sup> May, 2005

Registered office:  
Century Yard  
Cricket Square,  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

Head office and principal place of business:  
1/F, Wing Fai Shopping Arcade  
52 Wing Kwong Street  
Hunghom, Kowloon  
Hong Kong

Notes:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- (ii) In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), must be delivered to the Company's branch share registrar and transfer agent in Hong Kong, Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.
- (iii) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.