
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 a 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 New Chinese Medicine Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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.



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)

(Warrant Code: 8359)

PROPOSED CHANGE OF COMPANY NAME

A notice convening an extraordinary general meeting of New Chinese Medicine Holdings Limited to be held at Room 802, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong on Friday, 27 June 2008 at 10:00 a.m. is set out on pages 6 to 7 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong at Room 802, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish. The form of proxy for use at the extraordinary general meeting or any adjourned meeting is also enclosed. Such form of proxy is also published on the GEM website (www.hkgem.com).

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at www.ncm.com.hk.

5 June 2008

CHARACTERISTICS OF GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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 in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	2
Notice of Extraordinary General Meeting	6

DEFINITIONS

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

“Announcement”	the announcement made by the Company on 29 May 2008 in relation to the proposed change of Company name;
“Board”	the board of Directors;
“Company”	New Chinese Medicine Holdings Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the GEM;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened to approve the change of Company name;
“GEM”	the Growth Enterprises Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	The Company and its subsidiaries from time to time;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“PRC”	the People’s Republic of China;
“Shares”	ordinary share(s) of HK\$0.04 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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)

(Warrant Code: 8359)

Executive Directors:

Mr. Liu Jing (*Chairman*)
Mr. Chu Hon Pong (*Vice Chairman*)
Mr. Li Heguo (*Chief Executive Officer*)
Mr. An Jinping
Mr. Li Junhong
Ms. Tong Pui Chi Lucia
Mr. Law Kwok Chung

Non-executive Director:

Dr. Neil Kai Gu

Independent Non-executive Directors:

Mr. Chu Kar Wing
Dr. Loke Yu (alias Loke Hoi Lam)
Mr. Ku Ling Yu John

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

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

Room 802, Tower 1
Harbour Centre
1 Hok Cheung Street
Hung Hom, Kowloon
Hong Kong

5 June 2008

To the Shareholders

Dear Sir and Madam,

PROPOSED CHANGE OF COMPANY NAME

INTRODUCTION

As disclosed in the Announcement, the Board proposed to change (i) the English name of the Company from “New Chinese Medicine Holdings Limited” to “ZMAY Holdings Limited”; and (ii) the Chinese name of the Company from “新醫藥控股有限公司” to “中民安園控股有限公司”

The purpose of this circular is to provide you with information in relation to the proposed change of Company name and to give you notice of the EGM.

LETTER FROM THE BOARD

PROPOSED CHANGE OF COMPANY NAME

The Board proposed to change (i) the English name of the Company from “New Chinese Medicine Holdings Limited” to “ZMAY Holdings Limited”; and (ii) the Chinese name of the Company from “新醫藥控股有限公司” to “中民安園控股有限公司”. The proposed new English name of the Company is the abbreviation of the pinyin of the proposed new Chinese name of the Company.

The principal activities of the Group are the sales of healthcare products in Hong Kong. As disclosed in the circular of the Company dated 14 April 2008, the Company has been pursuing acquisition of funeral and cemetery related business in the PRC through Beijing Zhongmin Anyuan Investment Company Limited. The Board believes that the change of name of the Company would better reflect the principal business of the Company and benefit its future business development, which the Board considers is in the interests of the Company and its shareholders as a whole.

CONDITIONS

The proposed change of name of the Company is subject to the following conditions precedent:

- (i) the approval of the Shareholders by passing a special resolution at the EGM to be convened; and
- (ii) the approval of the proposed new name of the Company by the Registrar of Companies in the Cayman Islands.

The new name of the Company will take effect on the date of the issuance of the certificate of incorporation on change of name by the Registrar of Companies in the Cayman Islands. The Company will then carry out all necessary filing procedures with the Registrar of Companies in Hong Kong.

EFFECTS OF CHANGE OF COMPANY NAME

The proposed change of name of the Company will not affect any of the rights of the holders of securities of the Company and all existing certificates in issue bearing the existing name of the Company will continue to be evidence of title to such securities and will be valid for trading, settlement and registration purposes.

New share certificates of the Company will be issued under the new name of the Company after the change of name of the Company has become effective. Subject to the change of name of the Company becoming effective, the Shareholders may, during a specified period of not less than 30 days, submit their existing share certificates for the shares of the Company to the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in exchange for new share certificates at the expense of the Company. Any submission after

LETTER FROM THE BOARD

that period will only be accepted for exchange at a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new share certificate or each existing share certificate cancelled, whichever number of share certificate involved is higher. The new share certificates are expected to be available for collection from the Company's branch share registrar in Hong Kong, Tricor Standard Limited, by the Shareholders within 10 business days after lodgment of the existing share certificates with Tricor Standard Limited for exchange purpose.

Further announcement(s) will be made by the Company on the outcome of the EGM and the arrangement and timetable relating to the change of company name, the trading and dealings in the securities of the Company and the free exchange period of Share certificates once the change of name of the Company becomes effective.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) 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.

EGM

The notice of EGM is set out on pages 6 to 7 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong at Room 802, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL

Pursuant to article 66 of the articles of association of the Company, a resolution put to the vote of a meeting shall 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 demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders presents in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder and Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all share conferring that right.

A demand by a person as proxy for a Shareholder or in the case of Shareholder being a corporation by its duly authorized representative shall be deemed to the same as a demand by a Shareholder.

RECOMMENDATION

The Directors consider that the proposed change of Company name is in the interests of the Company and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of the relevant special resolution to be proposed at the EGM.

Yours faithfully,
By order of the Board
New Chinese Medicine Holdings Limited
Liu Jing
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

(Warrant Code: 8359)

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 Room 802, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong on Friday, 27 June 2008, at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolution as special resolution:

SPECIAL RESOLUTION

“**THAT** subject to the approval of the Registrar of Companies in the Cayman Islands being obtained, the change of (i) the English name of the Company from “New Chinese Medicine Holdings Limited” to “ZMAY Holdings Limited”; and (ii) the Chinese name of the Company from “新醫藥控股有限公司” to “中民安園控股有限公司” be and is hereby approved and any one director or the company secretary of the Company be and is hereby authorised to take all necessary actions to implement such change of name.”

By order of the Board
New Chinese Medicine Holdings Limited
Liu Jing
Chairman

Hong Kong, 5 June 2008

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's principal place of business in Hong Kong at Room 802, Tower 1, Harbour Centre, 1 Hok Cheung Street, Hunghom, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
3. A form of proxy for use in connection with the EGM is enclosed and such form of proxy is also published on the GEM website (www.hkgem.com).
4. Completion and deposit of the form of proxy will not preclude members from attending and voting at the meeting or any adjournment thereof should they so wish, and in such event, the form of proxy will be deemed to be revoked.
5. Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may attend and vote at the meeting, either in person or by proxy, in respect of such share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the registered of members of the Company in respect of the joint holding.