

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, 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 securities in **JIWA BIO-PHARM HOLDINGS LIMITED**, you should at once hand this circular to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or to the transferee.

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## **Jiwa Bio-Pharm Holdings Limited**

**積華生物醫藥控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2327)**

### **PROPOSED INCREASE IN AUTHORISED CAPITAL**

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A notice convening a special general meeting of Jiwa Bio-Pharm Holdings Limited to be held at 11:30a.m. on Tuesday, 3 July 2007 at Room 2904, Tower One, Lippo Centre, 89 Queensway, Central, Hong Kong is set out on pages 4 to 5 of this circular. A proxy form for use at the special general meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible to the Company's Hong Kong branch share registrar, Standard Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjourned meeting. Completion and return of the proxy forms will not preclude you from attending and voting in person at the meeting or any adjourned meeting or meetings should you so desire.

15 June 2007

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## LETTER FROM THE BOARD

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### Jiwa Bio-Pharm Holdings Limited

### 積華生物醫藥控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2327)**

*Executive Directors:*

Mr. Lau Yau Bor (*Chairman*)

Mr. Lau Kin Tung (*Vice Chairman and  
Chief Executive Officer*)

Madam Chan Hing Ming

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent non-executive Directors:*

Mr. Choy Ping Sheung

Mr. Fung Tze Wa

Mr. Seet Lip Chai

*Head office and principal*

*place of business in Hong Kong:*

Rooms 2904 & 2906

Tower One, Lippo Centre

89 Queensway, Central

Hong Kong

15 June 2007

*To the Shareholders*

Dear Sir or Madam,

### PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

#### INTRODUCTION

On 11 June 2007, the Company announced that it proposed to increase its authorised share capital. The purpose of this circular is to provide you with further information relating to the proposed increase in authorised share capital of the Company.

#### PROPOSED INCREASE IN SHARE CAPITAL

As at the date of this circular, the authorised and issued share capital of the Company are HK\$10,000,000 divided into 1,000,000,000 shares of HK\$0.01 each and HK\$5,000,000 divided into 500,000,000 shares of HK\$0.01 each respectively.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The Directors are currently considering a bonus issue of shares (the “**Proposed Bonus Issue**”). Although the terms of the Proposed Bonus Issue are still being finalized, in order for the Proposed Bonus Issue to take place and to provide greater flexibility to issue additional shares, it is proposed that the authorised capital of the Company be increased from HK\$10,000,000 to HK\$100,000,000 by the creation of an additional 9,000,000,000 shares of HK\$0.01 each. After the increase, the authorized share capital of the Company will be HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each.

The Proposed Bonus Issue is not a condition to the proposed increase in the authorised capital of the Company.

### SPECIAL GENERAL MEETING

A special general meeting (“**SGM**”) will be convened to approve the increase in the authorised share capital of the Company. The notice of the SGM is set out on pages 4 to 5 of this circular.

### PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to bye-law 66 of the bye-laws of the Company, unless voting by way of a poll is required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), every resolution submitted to a general meeting shall be determined on a show of hands in the first instance by the shareholders present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by the chairman of the relevant meeting or by:

- (a) at least 3 shareholders present in person (or in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (b) any shareholder or shareholders present in person (or in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (c) a shareholder or shareholders present in person (or in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares 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 shares conferring that right.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors are of the opinion that the proposed increase in the authorised capital is in the interest of the Company and the shareholders of the Company as a whole and recommended that the shareholders to vote in favour of the resolution to be proposed at the SGM.

Yours faithfully

For and on behalf of

**Jiwa Bio-Pharm Holdings Limited**

**Lau Kin Tung**

*Vice Chairman and Chief Executive Officer*

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## NOTICE OF SGM

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### **Jiwa Bio-Pharm Holdings Limited**

### **積華生物醫藥控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2327)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Jiwa Bio-Pharm Holdings Limited (the “Company”) will be held at Room 2904 , Tower One, Lippo Centre, 89 Queensway, Central, Hong Kong on Tuesday, 3 July 2007 at 11:30 a.m. for the purpose of considering, and, if thought fit, passing the following ordinary resolution, with or without amendments:

#### **ORDINARY RESOLUTION**

“**THAT**

- (a) the increase of the authorized share capital of the Company from HK\$10,000,000 to HK\$100,000,000 by the creation of an additional 9,000,000,000 shares of HK\$0.01 each be and is hereby approved and confirmed; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is hereby authorised to do all such other acts and execute all such other documents, deeds or instruments as may be required in connected with and incidental to the above or as such Director may deem necessary or desirable to carry into effect the matters herein resolved.”

For and on behalf of

**Jiwa Bio-Pharm Holdings Limited**

**Lau Kin Tung**

*Vice Chairman and Chief Executive Officer*

Hong Kong, 15 June 2007

*Principal place of business in Hong Kong*

Rooms 2904 and 2906, Tower One

Lippo Centre

89 Queensway

Central, Hong Kong

\* *For identification purpose only*

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## NOTICE OF SGM

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*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint one or more proxies (if he or she is the holder of two or more shares) to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy and 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 office of the Hong Kong branch share registrar and transfer office of the Company, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.