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China Medical and Bio Science Limited

(Provisional Liquidators Appointed)

中華藥業生物科學有限公司 *

(已委任臨時清盤人)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8120)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of China Medical and Bio Science Limited (Provisional Liquidators Appointed) (the “**Company**”) will be held at 60/F, One Island East, 18 Westlands Road, Island East, Hong Kong at 2:30 p.m. on Monday, 26 September 2011 (or any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions of the Company:

SPECIAL RESOLUTION

CAPITAL RESTRUCTURING

1. “**THAT:**

- (a) the par value of every issued share of the Company be reduced from HK\$0.05 to HK\$0.001 by the reduction of HK\$0.049 on each issued share of par value of HK\$0.05 each (the “**Capital Reduction**”) and the credit balance arising from the Capital Reduction of approximately HK\$66,267,600 be applied in any manner as permitted by the Companies Law (2010 Revision) of the Cayman Islands as amended and revised (the “**Cayman Companies Law**”) and other applicable laws to, including but not limited to, the setting off part of the accumulated losses of the Company as at 31 July 2010 of approximately HK\$403,581,000;
- (b) immediately upon the Capital Reduction becoming effective, the existing authorised but un-issued share capital of the Company of HK\$148,647,600 be cancelled in its entirety resulting in the authorised and issued share capital of the Company each being an amount of HK\$1,352,400;

- (c) immediately upon the Capital Reduction becoming effective, every forty (40) authorised and issued shares of HK\$0.001 each be consolidated into one (1) new share of HK\$0.04 each (“**New Share(s)**”), as a result of which 1,352,400,000 authorized and issued shares of the Company of HK\$0.001 each will be consolidated into 33,810,000 authorized and issued New Shares of HK\$0.04 each (“**Share Consolidation**”);
- (d) immediately upon the Capital Reduction and the Share Consolidation becoming effective, the authorised share capital of the Company be increased from HK\$1,352,400 to HK\$200,000,000 by the creation of 4,966,190,000 New Shares;
- (e) with effect from the completion of the Restructuring Agreement (as defined in resolution number 2 of the notice convening this meeting), the entire amount standing to the credit of the share premium account of the Company as at completion, which amounted to approximately HK\$101,086,000 as at 31 July 2010, be reduced and set off against the accumulated losses of the Company or in any manner otherwise permitted by the Cayman Companies Law and other applicable laws;
- (f) clause 6 of the memorandum of association of the Company be deleted in its entirety and replaced with the following new clause 6:

“6. The share capital of the Company is HK\$200,000,000 divided into 5,000,000,000 shares of a nominal or par value of HK\$0.04 each with power for the Company insofar as permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to provisions of the Companies Law (2010 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.”

- (g) article 3 of the articles of association of the Company be deleted in its entirety and replaced with the following new article 3:

“3. Unless otherwise resolved by members, the authorised share capital of the Company shall be HK\$200,000,000 divided into 5,000,000,000 ordinary shares of a par value of HK\$0.04 each.”

- (h) any fractions of New Shares arising on the Share Consolidation pursuant to paragraph (c) of this resolution shall not be allocated to the holders of the existing shares otherwise entitled thereto but such fractions shall be aggregated and if possible sold for the benefit of the Company or be dealt with in such other manner as the Company or its joint and several provisional liquidators (the “**Provisional Liquidators**”) may consider appropriate;
- (i) all the New Shares in the capital of the Company after completion of the Capital Restructuring pursuant to this resolution shall rank pari passu in all respects with each other and have the same rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company as amended pursuant to paragraphs (f) and (g) of this resolution;
- (j) the Provisional Liquidators and the directors of the Company (“**Directors**”) be and are hereby authorised to take all necessary steps and do all such other things and acts and execute all such other documents (including the affixation of the common seal of the Company where execution under seal is required) which they may in their absolute discretion consider necessary, desirable, or expedient for the purpose of giving effect to or implementing any of the foregoing.”

ORDINARY RESOLUTIONS

THE RESTRUCTURING PROPOSAL

2. “**THAT**

- (a) the restructuring agreement dated 29th April 2011 as amended and supplemented by a supplemental restructuring agreement dated 1st June 2011 and a second supplemental restructuring agreement dated 29th August 2011 (collectively, the “**Restructuring Agreement**”, a copy of which has been produced to the EGM and marked “A” and initialed by the chairman of the EGM for identification purposes) entered into among the Company, the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting), Thousand Jade International Limited as investor (the “**Investor**”) and Mr. Li Wing Chiu as guarantor in relation to the restructuring of the Company and the transactions contemplated thereunder (including but not limited to the Capital Restructuring (as defined in resolution number 1 of the notice convening this meeting), the issuance and allotment of 240,000,000 New Shares (the “**Subscription Shares**”) at a subscription price of HK\$0.20 each for a total consideration of HK\$48,000,000, the creation and issue of the convertible notes (the “**Convertible Notes**”) with the principal amount of HK\$22,000,000 and the scheme of arrangement to be made between the Company and its creditors pursuant to Section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and Section 86 of the Cayman Companies Law (as defined in resolution number 1 of the notice convening this meeting) (the “**Scheme**”) and the performance thereof by the Company, be and are hereby approved, ratified and confirmed;

- (b) the allotment and issue of the Subscription Shares to the Investor at a subscription price of HK\$0.20 per Subscription Share pursuant to the Restructuring Agreement be and is hereby approved;
- (c) the creation and issue by the Company of the Convertible Notes due on the date falling three years from the date of issue of the Convertible Notes, convertible into 110,000,000 New Shares (the “**Conversion Shares**”) in the capital of the Company at the conversion price of HK\$0.20 per Conversion Share and the issue and allotment of the Conversion Shares on and subject to the terms and conditions contained in the Restructuring Agreement be and are hereby approved;
- (d) the allotment and issue of 32,000,000 New Shares to partially settle claims against and liabilities of the Company with its creditors under the Scheme (the “**Creditors Shares**”) on and subject to the terms and conditions of the Scheme be and are hereby approved;
- (e) the Provisional Liquidators and the Directors be and are hereby authorised, for and on behalf of the Company, to do all such acts and things and to sign, seal and execute and deliver all such documents (including the affixation of the common seal of the Company where execution under seal is required) and take all such steps which they may in their discretion consider necessary, desirable or expedient for the implementation of and giving effect to the terms of the Restructuring Agreement and the transactions contemplated thereunder, including but not limiting to the allotment and issue of the Subscription Shares, the Conversion Shares and the Creditors Shares and to make and agree such variations of a minor or non-material nature in or to the terms of the Restructuring Agreement, as they may in their discretion consider to be desirable and in the interests of the Company.”

WHITEWASH WAIVER

3. “**THAT**, the waiver (the “**Whitewash Waiver**”) granted or to be granted by the Executive Director (the “**Executive Director**”) of the Corporate Finance Division of the Securities and Futures Commission (or any delegate of such Executive Director) pursuant to Note 1 on Dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of the Investor (as defined in resolution number 2 of the notice convening this meeting) and parties acting in concert with it, to make a general offer for all the securities of the Company other than those already owned or agreed to be acquired by the Investor and its concert parties upon completion of the Restructuring Agreement (as defined in resolution number 2 of the notice convening this meeting), and any conditions that may be imposed thereon, be and are hereby approved and the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting) and the Directors (as defined in resolution number 1 of the notice convening this meeting) be and are hereby authorised generally to take all necessary steps and to do all other things and execute all documents (including the affixation of the common seal of the Company where execution under

seal is required) which they may in their absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of and giving effect to any matters relating to, or incidental to, the Whitewash Waiver.”

SPECIAL DEALS

4. “**THAT** subject to the consent of the Executive Director (as defined in resolution number 3 of the notice convening this meeting), or any delegate of the Executive Director pursuant to Rule 25 of the Hong Kong Code on Takeovers and Mergers and the satisfaction of any conditions attached to such consent, the proposed settlement of the indebtedness owed to Ms. Liu Yang for the unpaid remuneration as an executive director and chairman of the Company under the Scheme (as defined in resolution number 2 of the notice convening this meeting) be and is hereby approved; and the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting) and the Directors (as defined in resolution number 1 of the notice convening this meeting) be and are hereby authorised, for and on behalf of the Company, to do all such acts and things and to sign, seal and execute and deliver such documents (including the affixation of the common seal of the Company where execution under the seal is required) in connection with such settlement and take all such steps which they may in their discretion consider necessary, desirable or expedient to give effect to it.”

5. “**THAT** subject to the consent of the Executive Director (as defined in resolution number 3 of the notice convening this meeting), or any delegate of the Executive Director pursuant to Rule 25 of the Hong Kong Code on Takeovers and Mergers and the satisfaction of any condition attached to such consent, the proposed settlement of the claims alleged by Mr. Ang Tai Hoi for the loss and damage suffered under the Scheme (as defined in resolution number 2 of the notice convening this meeting) be and is hereby approved; and the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting) and the Directors (as defined in resolution number 1 of the notice convening this meeting) be and are hereby authorised, for and on behalf of the Company, to do all such acts and things and to sign, seal and execute and deliver such documents (including the affixation of the common seal of the Company where execution under the seal is required) in connection with such settlement and take all such steps which they may in their discretion consider necessary, desirable or expedient to give effect to it.”

6. “**THAT** subject to the consent of the Executive Director (as defined in resolution number 3 of the notice convening this meeting), or any delegate of the Executive Director pursuant to Rule 25 of the Hong Kong Code on Takeovers and Mergers and the satisfaction of any conditions attached to such consent, the proposed payment of the director’s remuneration to Ms. Wong Moon Ha at the agreed amount of HK\$20,000 per month from 1 August 2010, which is subject to the resumption of trading of the shares of the Company, be and is hereby approved; and the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting) and the Directors (as defined in

resolution number 1 of the notice convening this meeting) be and are hereby authorised, for and on behalf of the Company, to do all such acts and things and to sign, seal and execute and deliver such documents (including the affixation of the common seal of the Company where execution under the seal is required) in connection with such payment and take all such steps which they may in their discretion consider necessary, desirable or expedient to give effect to it.”

7. “**THAT** subject to the consent of the Executive Director (as defined in resolution number 3 of the notice convening this meeting), or any delegate of the Executive Director pursuant to Rule 25 of the Hong Kong Code on Takeovers and Mergers and the satisfaction of any conditions attached to such consent, the proposed payment of the director’s remuneration to Mr. Wong Sai Wa at the agreed amount of HK\$150,000 per month from 1 August 2010, which is subject to the resumption of trading of the shares of the Company, be and is hereby approved; and the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting) and the Directors (as defined in resolution number 1 of the notice convening this meeting) be and are hereby authorised, for and on behalf of the Company, to do all such acts and things and to sign, seal and execute and deliver such documents (including the affixation of the common seal of the Company where execution under the seal is required) in connection with such payment and take all such steps which they may in their discretion consider necessary, desirable or expedient to give effect to it.”

GENERAL AUTHORISATION

8. “**THAT** in connection with the actions contemplated by the foregoing resolutions, each of the Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting), the Directors (as defined in resolution number 1 of the notice convening this meeting), officers, and any attorney or authorised signatories be, and such other persons as are authorised by any of them be, and each hereby is, authorised, in the name and on behalf of the Company, to do such further acts and things as any Provisional Liquidators, Directors, or officers or such duly authorised other persons shall deem necessary or appropriate in connection with, or to carry out the actions contemplated by, the foregoing resolutions, including to do and perform (or cause to be done and performed), in the name and on behalf of the Company, all such acts and to make, execute, deliver, issue or file (or cause to be made, executed, delivered or filed) with any person including any governmental authority or agency, all such agreements, documents, instruments, certificates, consents and waivers, and all amendments to any such agreements, documents, instruments or certificates, and to pay, or cause to be paid, all such payments, as any of them may deem necessary or advisable to carry out the intent of the foregoing resolutions, the authority for the taking of any such action and the execution and delivery of such of the foregoing to be conclusively evidenced thereby.”

RATIFICATION OF PRIOR ACTIONS

9. “**THAT** any and all actions of the Company, or of any Provisional Liquidators (as defined in resolution number 1 of the notice convening this meeting), Directors (as defined in resolution number 1 of the notice convening this meeting), or officers or any attorney or authorised signatories, taken in connection with the actions contemplated by the foregoing resolutions prior to the execution hereof be and are hereby ratified, confirmed, approved and adopted in all respects as fully as if such action(s) had been presented to for approval, and approved by, all the Directors prior to such action being taken”.

ELECTION OF DIRECTORS

10. “**THAT** subject to the completion of the Restructuring Agreement (as defined in resolution number 2 of the notice convening this meeting) (the “**Completion**”), each of following persons be elected as a director of the Company effective from the date of Completion, subject to the provisions of the articles of associations of the Company:

(a) Mr. Li Wing Chiu;

(b) Mr. Wang Zhiming;

(c) Mr. Zhang Xiaobin;

(d) Mr. Qiao Long;

(e) Ms. Wong Yan Ki, Angel;

(f) Ms. Liao Aimin; and

(g) Mr. Li Jingxing.”

11. “**THAT** the board of directors of the Company be and is hereby authorised to fix the remuneration of the directors of the Company.”

By Order of the Board
CHINA MEDICAL AND BIO SCIENCE LIMITED
(Provisional Liquidators Appointed)
Wong Sai Wa
Executive Director

Registered office:
Ugland House
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal place of business in Hong Kong:
62/F., One Island East
18 Westlands Road
Island East, Hong Kong

Hong Kong, 2 September 2011

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Ltd, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Completion and deposit of the proxy form will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjourned meeting and in such event, the proxy form will be deemed to be revoked.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled to vote, but if more than one of such joint holders are present at the meeting, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the name stands first on the register of members of the Company in respect of the joint holding.

As at the date of this notice, the Board comprises two executive Directors, namely Ms. Wong Moon Ha and Mr. Wong Sai Wa.

* *For identification purpose only*