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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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 Hua Xia Healthcare Holdings Limited (the “Company”), 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 or the transferee.



### HUA XIA HEALTHCARE HOLDINGS LIMITED

華夏醫療集團有限公司\*

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

**(Stock Code: 8143)**

- (1) PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
- (2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;**
- (3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
- (4) PROPOSED CHANGE OF AUDITORS; AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (the “AGM”) of the Company to be held at 19/F., New Wing, 101 King’s Road, Hong Kong on Friday, 28 September 2012 at 11:00 a.m. A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instruction printed thereon and return the same to the principal place of business of the Company at 19/F., New Wing, 101 King’s Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

*This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and the website of the Company at [www.huaxia-healthcare.com](http://www.huaxia-healthcare.com).*

30 August 2012

\* For identification purpose only

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.**

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 19/F., New Wing, 101 King’s Road, Hong Kong on Friday, 28 September 2012, at 11:00 a.m.
“Articles of Association”	articles of association of the Company adopted pursuant to the written resolutions of the then shareholders of the Company passed on 20 April 2002 and as amended from time to time
“associates”	have the same meaning as prescribed in the GEM Listing Rules
“Board”	board of Directors
“Company”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange
“Companies Law”	the companies law, Chapter 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with new Shares not exceeding 20% of the number of issued Shares as at the date of the AGM which is to be extended by the number of Shares purchased pursuant to the Repurchase Mandate
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 August 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Option(s)”	any options granted under the Share Option Schemes conferring a right to subscribe for shares
“Optionholders”	the relevant holders of the Options
“Old Share Option Scheme”	the old share option scheme adopted by the Company on 20 April 2002
“Participants”	(i) employees of the Company (whether full-time or part time) or any of its subsidiaries or associated companies; (ii) Directors (whether executive Directors or non-executive Directors or independent non-executive Directors) of the Company or any of its subsidiaries or associated companies; (iii) suppliers of goods and/or services to the Company or any of its subsidiaries or associated companies; (iv) customers of the Company or any of its subsidiaries or associated companies; (v) any person or entity that provides research, development or other technological support to the Company or any of its subsidiaries or associated companies; and (vi) any Shareholder of any member of the Group or any of its subsidiaries or associated companies or any holder of any securities issued by any member of the Group or any of its subsidiaries or associated companies
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

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## DEFINITIONS

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“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all of the Options which shall not in aggregate exceed 10% of the Shares in issue as at the adoption of the Share Option Schemes and thereafter, if refreshed shall not exceed 10% of the shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 10 August 2011
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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# HUA XIA HEALTHCARE HOLDINGS LIMITED

華夏醫療集團有限公司\*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

*Executive Directors:*

Mr. Yung Kwok Leong

(Chairman and Chief Executive Officer)

Dr. Jiang Tao (Deputy Chief Executive)

Mr. Weng Jiaxing (Deputy Chief Executive)

Mr. Zheng Gang

Dr. Huang Jiaqing

Mr. Chen Jin Shan

*Non-executive Director:*

Dr. Wong Yu Man, James

*Independent non-executive Directors:*

Ms. Wong Ka Wai, Jeanne

Prof. Hu Shanlian

Prof. Lu Chuanzhen

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

19th Floor, New Wing

101 King's Road

Hong Kong

30 August 2012

*To Shareholders of the Company, and for information only,  
holder(s) of Options, Convertible Notes and Convertible Preference Shares*

Dear Sir or Madam,

- (1) PROPOSED GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES;  
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;  
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;  
(4) PROPOSED CHANGE OF AUDITORS; AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the forthcoming AGM of the Company to be held on Friday, 28 September 2012 including but not limited to (i) ordinary resolutions relating to the grant of general mandates to the Directors for the issue and repurchase of its Shares; (ii) ordinary resolution relating to the approval of refreshment of the 10% Scheme Mandate Limit on grant of Options under the Share Option Scheme; and (iii) ordinary resolution relating to the re-election of the retiring Directors; and (iv) change of auditors.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### (1) PROPOSED GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

The existing general mandates granted to the Directors to allot and issue new Shares and to repurchase Shares at the annual general meeting of the Company held on 28 September 2012 will lapse at the conclusion of the AGM.

At the AGM, ordinary resolutions will be proposed to the Shareholders (a) approving the grant of the General Mandate to the Directors to allot, issue and otherwise deal with new Shares not exceeding in aggregate 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing such resolution; (b) approving the grant of the Repurchase Mandate to the Directors to repurchase, inter alia, Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution; and (c) adding to the number of Shares which may be allotted, issued or dealt with under the General Mandate the amount of any Shares repurchased by the Company under the Repurchase Mandate.

#### **The General Mandate**

Under the General Mandate, the Directors will be given a general mandate to allot, issue and deal with new Shares representing not more than 20% of the issued share capital of the Company outstanding as at the conclusion of the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 1,083,938,264 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the General Mandate and assuming that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with up to a maximum of 216,787,652 new Shares.

#### **The Repurchase Mandate**

It is also proposed that the Repurchase Mandate be granted to the Directors. The explanatory statement required by the GEM Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out on pages 13 to 17 of this circular.

The Directors wish to state that they have no present intention to repurchase any Shares.



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## LETTER FROM THE BOARD

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### **Extension of the General Mandate**

Subject to the approval of the Repurchase Mandate, another ordinary resolution will be proposed at the AGM to add to the limit under the General Mandate the amount of any Shares repurchased by the Company pursuant to the Repurchase Mandate.

### **Effectiveness of General Mandate and Repurchase Mandate**

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the company is required by the Articles of Association, or any applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

### **(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT**

The Company adopted the Share Option Scheme by written resolution of shareholders on 10 August 2011.

At present, the Company has no other share option scheme apart from the Share Option Scheme. A breakdown setting out the number of Options outstanding and their respective exercise price and their respective exercise period under Share Option Schemes as at the Latest Practicable Date is as follows:

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## LETTER FROM THE BOARD

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### Old Share Option Scheme

Categories of grantees	Exercise period	Exercise price	Number of Options outstanding
<b>Directors</b>			
Mr. Yung Kwok Leong	30 September 2009 to 29 March 2019	HK\$0.50	1,700,000
Dr. Jiang Tao	30 September 2009 to 29 March 2019	HK\$0.50	800,000
	23 March 2010 to 22 March 2015	HK\$1.12	1,563,380
Mr. Weng Jiaxing	23 March 2010 to 22 March 2015	HK\$1.12	1,980,282
Mr. Zheng Gang	30 September 2009 to 29 March 2019	HK\$0.50	800,000
	23 March 2010 to 22 March 2015	HK\$1.12	2,814,084
Dr. Huang Jiaqing	30 September 2009 to 29 March 2019	HK\$0.50	1,000,000
	23 March 2010 to 22 March 2015	HK\$1.12	312,676
Mr. Chen Jin Shan	30 September 2009 to 29 March 2019	HK\$0.50	1,700,000
	23 March 2010 to 22 March 2015	HK\$1.12	2,084,507
Employees and consultants of the Group	13 July 2006 to 12 July 2016	HK\$3.61	459,739
	21 March 2007 to 20 March 2017	HK\$2.94	1,042,253
	30 September 2009 to 29 March 2019	HK\$0.50	8,200,000
	23 March 2010 to 22 March 2015	HK\$1.12	19,594,366
Sub-total	Old Share Option Scheme		44,051,287

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## LETTER FROM THE BOARD

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### Share Option Scheme

Categories of grantees	Exercise period	Exercise price	Number of Options outstanding
<b>Directors</b>			
Dr. Jiang Tao	1 January 2012 to 31 December 2013	HK\$0.16	2,000,000
Mr. Weng Jiaying	1 January 2012 to 31 December 2013	HK\$0.16	6,700,000
Mr. Zheng Gang	1 January 2012 to 31 December 2013	HK\$0.16	6,700,000
Dr. Huang Jiaqing	1 January 2012 to 31 December 2013	HK\$0.16	1,000,000
Mr. Chen Jin Shan	1 January 2012 to 31 December 2013	HK\$0.16	6,700,000
Dr. Wong Yu Man, James	1 January 2012 to 31 December 2013	HK\$0.16	1,000,000
Employees and consultants of the Group	1 January 2012 to 31 December 2013	HK\$0.16	42,800,000
Sub-total		Share Option Scheme	66,900,000
Total Old Share Option Scheme and Share Option Scheme			110,951,287

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, an aggregate of 110,951,287 Options, representing approximately 10.24% of the issued share capital of the Company, remain outstanding under the Share Option Schemes.

The Scheme Mandate Limit was refreshed on 2011 at the annual general meeting of the Company held on 10 August 2011, to allow the Directors to grant Options to subscribe for up to 67,243,826 Shares. A total of 66,900,000 Options were granted to Participants on 10 August 2011. None of these Participants has been granted with Options exceeding the limit of 1% of the issued capital of the Company as set out in Rule 23.03 of the GEM Listing Rules. No further grant of Options has been made since then. As at the Latest Practicable Date, the Company might only make further grant of Options to subscribe for up to 343,826 Shares, representing approximately 0.51% of the existing Scheme Mandate Limit.

The remaining existing Scheme Mandate Limit will lapse upon the approval of refreshment thereof at the AGM. Under the rules of the Share Option Schemes and subject to the GEM Listing Rules:

- (i) the initial limit on the maximum number of Shares that may be issued upon the exercise of the Options shall not exceed 10% of the shares of the Company in issue as at the date of approval of the Share Option Schemes;
- (ii) the Company may seek Shareholders' approval to refresh the Scheme Mandate Limit on the grant of Options under the Share Option Schemes as and when required. However, the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Schemes and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Schemes or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. A circular must be sent to Shareholders in connection with the meeting at which their approval will be sought;
- (iii) the Company may seek separate approval from the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought; and

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## LETTER FROM THE BOARD

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- (iv) the overall limit on the number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to Participants by way of granting Options to them. If the Scheme Mandate Limit is again refreshed on the basis of 1,083,938,264 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed to grant further Options under the Share Option Schemes of the Company carrying rights to subscribe for a maximum of 108,393,826 Shares (being 10% of the issued share capital of the Company as at the date of the AGM at which the refreshed limit is approved). In this regard, the Company will seek approval from the Shareholders in the AGM for refreshing the Scheme Mandate Limit. The proposed refreshment of the Scheme Mandate Limit will be conditional upon the Listing Committee of GEM granting the listing of, and the permission to deal in, such number of Shares, representing 10% of the Shares in issue as at the date of the AGM which may fall to be allotted and issued pursuant to the exercise of the Options granted under the refreshed Scheme Mandate Limit. Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Schemes up to the refreshed Scheme Mandate Limit.

As at the Latest Practicable Date, other than the Share Option Schemes, the Company has no other share option scheme in force. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole. The refreshment of the Scheme Mandate Limit is in line with the purpose of the Share Option Schemes and is in compliance with Chapter 23 of the GEM Listing Rules.

### **(3) RE-ELECTION OF RETIRING DIRECTORS**

In accordance with the Articles of Association, Dr. Wong Yu Man, James, Dr. Huang Jiaqing, Prof. Hu Shanlian and Prof. Lu Chuanzhen shall retire from their offices at the AGM and, being eligible, will offer themselves for re-election.

Details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### (4) PROPOSED CHANGE OF AUDITORS

The Company's auditor, HLB Hodgson Impey Cheng, shall retire from office at the conclusion of the AGM. In March 2012, the practice of HLB Hodgson Impey Cheng was reorganized as HLB Hodgson Impey Cheng Limited. The Board considers that it is in the interests of the Company and the shareholders of the Company (the "Shareholders") as a whole if the auditors can continue to serve the Company. Therefore, a resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company at the AGM.

HLB Hodgson Impey Cheng has confirmed that there are no matters in connection with its retirement that need to be brought to the attention of the Shareholders. The Board also confirms that there are no circumstances in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders.

### (5) ANNUAL GENERAL MEETING

A notice convening the AGM of the Company to be held at 19/F., New Wing, 101 King's Road, Hong Kong, 28 September 2012 at 11:00 a.m. is set out in this circular. A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at 19/F., New Wing, 101 King's Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting (as the case may be) should you so wish.

### GEM LISTING RULES REQUIREMENT FOR VOTING

Pursuant to Rule 17.47(4) of the GEM Listing Rules, vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

### SHAREHOLDERS ABSTAIN FROM VOTING

None of the Shareholders is required to abstain from voting in respect of the resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

### RECOMMENDATIONS

The Directors consider that (i) the general mandates to the Directors for the issue and repurchase of Shares; (ii) the refreshment of the 10% Scheme Mandate Limit for the grant of Options under the Share Option Schemes; (iii) the re-election of the retiring Directors and (iv) change of auditors are in interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the forthcoming AGM.

### GENERAL

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors, or the controlling Shareholder or the management Shareholders (as defined in the GEM Listing Rules) or their respective associates had any interests in a business which competes or may compete with the business of the Group and have any other conflicts of interest with the Group.

By order of the Board  
**Hua Xia Healthcare Holdings Limited**  
**Yung Kwok Leong**  
*Chairman*

*This is an explanatory statement given to all Shareholders of the Company relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate. It contains all the relevant information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,083,938,264 Shares of HK\$0.01 each.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 108,393,826 Shares equivalent to 10% of the issued share capital of the Company. The repurchased Shares will be cancelled and the Company's issued share capital will be reduced accordingly by the nominal value of the Shares repurchased.

## **2. EXERCISE OF THE REPURCHASE MANDATE**

Exercise in full of the Repurchase Mandate, on the basis of 1,083,938,264 Shares of the Company in issue as at the Latest Practicable Date, could result in up to 108,393,826 Shares listed on GEM or on another stock exchange recognized by the Securities and Futures Commission and the Stock Exchange under the Code on Share Repurchases being repurchased by the Company during the period up to (i) the conclusion of the next annual general meeting of the Company after the AGM; (ii) the expiration of the period within which the next annual general meeting of the Company after the AGM is required by the Articles of Association or the Companies Law or any other applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the repurchase mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.



**3. REASONS FOR REPURCHASES**

Although the Directors have no present intention to repurchase any Shares, they believe that the Repurchase Mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the relevant time, lead to an enhancement of the net asset value of the Company and/or earning per Share.

**4. FUNDING OF REPURCHASES**

Repurchase of Shares will be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company and the applicable laws and regulations of the Cayman Islands.

The Company may not purchase its own securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or the gearing position of the Group as compared with the position disclosed in the audited financial statements for the year ended 31 March 2012, being the date to which the latest published audited financial statements of the Company were made up, in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or on the gearing positions which in the opinion of the Directors are from time to time appropriate for the Group. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

## 5. SHARE PRICES

The highest and lowest prices at which Shares have been traded on GEM in each of the past twelve months preceding the Latest Practical Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2011</b>		
August	0.232	0.146
September	0.160	0.113
October	0.170	0.125
November	0.170	0.120
December	0.187	0.120
<b>2012</b>		
January	0.148	0.119
February	0.270	0.124
March	0.249	0.178
April	0.197	0.166
May	0.179	0.142
June	0.185	0.142
July	0.240	0.190
August (up to the Latest Practicable Date)	0.239	0.195

## 6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the GEM Listing Rules and the applicable laws of Hong Kong and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company and also any applicable laws of the Cayman Islands.

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquires, any of the associates (as defined in the GEM Listing Rules) of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Company's shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

## 7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a Share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register of the substantial shareholders maintained by the Company under section 336 of the SFO showed that the following parties had interests in the Shares representing 10% or more of the voting power at any general meeting of the Company:

Name of Shareholder	Number of Shares	Position	Capacity	Approximate percentage of the total issued Shares	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Easeglory Holdings Limited ("Easeglory") (Note)	120,960,500	Long	Beneficial owner	11.16%	12.40%
Yung Kwok Leong ("Mr. Yung") (Note)	120,960,500	Long	Corporate interest	11.16%	12.40%
	235,046,875	Long	Personal interest	21.68%	24.09%
Mrs. Yung Muk Ying (Note)	357,707,375	Long	Interest of spouse	33.00%	36.67%

*Note:* The issued share capital of Easeglory is 100% beneficially owned by Mr. Yung, an executive Director and the Chairman and Chief Executive Officer of the Company. By virtue of her being the spouse of Mr. Yung, Mrs. Yung is deemed to be interested in 120,960,500 Shares held by Easeglory and 136,546,875 Shares, 1,700,000 share options and 98,500,000 convertible preference shares beneficially held by Mr. Yung in personal capacity. Pursuant to the terms and conditions of the convertible preference shares, holder(s) of the convertible preference shares shall have the right to convert the convertible preference shares provided that any conversion of the convertible preference shares (i) does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder(s) of the convertible preference shares and parties acting in concert with any of them; and (ii) the public float of the Shares does not fall below the minimum public float requirements stipulated under the GEM Listing Rules or as required by the Stock Exchange. Save as Mr. Yung being a director of Easeglory, none of the Director is a director or employee of Easeglory.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any consequences of such repurchase of Shares that would result in the Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in any Shareholder or group of Shareholders acting in concert, being obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

The Directors are also aware that the GEM Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the Company failing to comply with the public float requirements under the GEM Listing Rules.

#### **8. SHARE REPURCHASE MADE BY THE COMPANY**

No Shares had been repurchased by the Company, whether on the GEM or otherwise, in the last six months prior to the Latest Practicable Date.

*Set out below are details of the Directors who are proposed to be re-elected at the AGM:*

**1. Dr. Wong Yu Man, James (“Dr. Wong”)**

Dr. Wong, aged 59, holds two bachelor degrees in medicine surgery from the University of Hong Kong. Dr. Wong also holds a doctorate degree in medicine from Freiburg University in Germany. He has around 30 years of experience in medical and healthcare services in Hong Kong.

Dr. Wong has been appointed as a non-executive Director by way of letter of appointment with the Company for a period of one year commencing from 20 March 2007 which will continue thereafter until terminated by either party giving not less than one month notice in writing. Dr. Wong is entitled to a fixed emolument of HK\$120,000 per annum which was determined by arm’s length negotiation between Dr. Wong and the Company. Dr. Wong is also entitled to a year-end discretionary bonus to be determined by the Board from time to time. Such salaries and benefits were determined with reference to his roles and responsibilities of the Group and the prevailing market conditions. Dr. Wong is subject to the rotational and retirement requirement under the Articles.

As at the Latest Practicable Date, Dr. Wong was interested in share options, carrying rights to subscribe for 1,000,000 shares at the exercise price of HK\$0.16 per Share during the exercise period from 1 January 2012 to 31 December 2013 under the Share Option Scheme. Save as disclosed herein, Dr. Wong does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Dr. Wong is not connected with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules). Dr. Wong is a director of a wholly owned subsidiary of the Company. Save as disclosed, Dr. Wong did not hold any other position in the Company or any of its subsidiaries and did not hold any directorships in any other listed public companies in the past three years.

Save as disclosed above, there is no matter about Dr. Wong which is required to be disclosed pursuant to paragraphs (h) to (v) of Rules 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders of the Company.

**2. Dr. Huang Jiaqing (“Dr. Huang”)**

Dr. Huang, aged 61, the executive vice president of the Group, has over 30 years of professional experience in the PRC’s medical fields, including clinical, preventive and emergency medicine. Dr. Huang has served as hospital doctor, director of hospital’s emergency centre, head of the sanitation and anti-epidemic department in hospital, head of the hospital and medical administration bureau in the PRC municipal government. To honour Dr. Huang’s distinguished expertise in the medical fields, he enjoys special subsidisation from the State Council of the PRC.

Dr. Huang has been appointed as an executive Director by way of a letter of appointment with the Company for a term of one year commencing on 30 July 2009 and will continue thereafter until terminated by either party giving each other not less than one month's notice in writing. Dr. Huang is entitled to a fixed emolument of HK\$120,000 per annum which is determined after arm's length negotiation between both parties. Dr. Huang is also entitled to a year-end discretionary bonus to be determined by the Board from time to time. Such salaries and benefits were determined with reference to his roles and responsibilities of the Group and the prevailing market conditions. Dr. Huang is subject to the rotational and retirement requirements under the Articles.

As at the Latest Practicable Date, Dr. Huang was interested in share options, carrying rights to subscribe for 1,000,000 shares at the exercise price of HK\$0.50 per Shares during the exercise period from 30 September 2009 to 29 March 2019 and 312,676 shares at the exercise price of HK\$1.12 per Shares during the exercise period from 23 March 2010 to 22 March 2015, pursuant to the Old Share Option Scheme. He was also interested in share options, carrying the rights to subscribe for 1,000,000 shares at the exercise price of HK\$0.16 per Shares during the exercise period from 1 January 2012 to 31 December 2013, pursuant to the Share Option Scheme. Save as disclosed herein, Dr. Huang does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Dr. Huang is not connected with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules). Dr. Huang does not hold any other positions in the Company and other members of the Group and has not held any other directorships in any listed companies in the last three years.

Save as disclosed above, there is no matter about Dr. Huang which is required to be disclosed pursuant to paragraph (h) to (v) of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

### **3. Prof. Hu Shanlian (“Prof. Hu”)**

Prof. Hu, aged 75, is a professor in health economics and has a master degree in science from the London School of Tropical Medicine and Hygiene. At Present, he is the director of Training Centre for Health Management and Pharmacoeconomics Research and Evaluation Centre at School of Public Health at Fudan University in the PRC. Prof. Hu is also the director of Health Development Research Centre in the Shanghai Bureau of Health. Prof. Hu also held senior positions in the National Health Economic Institution and China Network of Training and Research in Health Economics and Financing between 1991 and 2005, which were supported by the Ministry of Health of the PRC and World Bank respectively.

Prof. Hu has been appointed as an independent non-executive Director by way of a letter of appointment by the Company for a term of one year commencing on 30 July 2009, which will continue thereafter until terminated by either party giving each other not less than one month's notice in writing. Prof. Hu will be entitled to a fixed emolument of HK\$60,000 per annum which is determined after arm's length negotiation between both parties and with reference to his duties and responsibilities with the Company. Prof. Hu is not entitled to discretionary bonus. Prof. Hu is subject to the rotational and retirement requirements under the Articles.

As at the Latest Practicable Date, Prof. Hu does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Prof. Hu is not connected with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules). Prof. Hu does not hold any other positions in the Company and other members of the Group and has not held any other directorships in any listed companies in the last three years.

Other than disclosed above, there is no matter about Prof. Hu which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention the Shareholders of the Company.

#### **4. Prof. Lu Chuanzhen (“Prof. Lu”)**

Prof. Lu, aged 74, is a neurologist and has over 50 years of medical professional experience. Prof. Lu is currently the lifetime professor of Shanghai Huashan Hospital in the PRC and a director in the World Health Organisation’s Neuroscience Research and Training Centre. Prof. Lu is also the chairman and director of the Institute of Neurology in Shanghai Medical University, the chairman of the Chinese Association of Neurology and chairman of the Shanghai Association of Neurology in the Chinese Medical Society. Prof. Lu also has an international membership with New York Academy of Sciences.

Prof. Lu has been appointed as an independent non-executive Director by way of a letter of appointment with the Company for a term of one year commencing on 30 July 2009 and will continue thereafter until terminated by either party giving each other not less than one month’s notice in writing. Prof. Lu will be entitled to a fixed emolument of HK\$60,000 per annum which is determined after arm’s length negotiation between both parties, with reference to his duties and responsibilities with the Company and prevailing market conditions. Prof. Lu is not entitled to discretionary bonus. Prof. Lu is subject to the rotational and retirement requirements under the Articles.

As at the Latest Practicable Date, Prof. Hu does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Prof. Lu is not connected with any Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules). Prof. Lu does not hold any other positions in the Company and other members of the Group and has not held any other directorships in any listed companies in the last three years.

Other than disclosed above, there is no matter about Prof. Lu which is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention the Shareholders of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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### HUA XIA HEALTHCARE HOLDINGS LIMITED

華夏醫療集團有限公司\*

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

(Stock Code: 8143)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (“AGM”) of the shareholders (“Shareholders”) of Hua Xia Healthcare Holdings Limited (the “Company”) will be held at 19/F., New Wing, 101 King’s Road, Hong Kong on Friday, 28 September 2012, at 11:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 March 2012;
2. to re-elect the retiring directors of the Company (“Directors”), namely Dr. Wong Yu Man, James, Dr. Huang Jiaqing, Prof. Hu Shanlian and Prof. Lu Chuanzhen;
3. to authorise the board of Directors (the “Board”) to fix the remunerations of the Directors;
4. to appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the Board to fix their remuneration; and

As special business, to consider and, if thought fit, pass with or without amendments the following proposed resolutions numbered 5 to 8 as ordinary resolutions:

#### ORDINARY RESOLUTIONS

5. **THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company and to allot, issue and deal with additional shares (“Shares”) in the capital of the Company and to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into Shares) which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

\* For identification purpose only



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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the grant or exercise of any option under the Share Option Scheme (as defined below) or any other option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of Shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for are convertible into Shares of the Company, shall not exceed the aggregate of:
- (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and
  - (ii) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution).

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) for the purpose of this resolution:
- (aa) “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any other applicable laws of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.
  - (bb) “Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of Shares (subject to such exclusion and arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).

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## NOTICE OF ANNUAL GENERAL MEETING

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6. **THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined in resolution 5(d)(aa)) of all powers of the Company to purchase its shares on the GEM or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” shall have the same meaning as in resolution no. 5(d)(aa).

7. **THAT** conditional upon resolutions numbered 5 and 6 of this notice being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to resolution numbered 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to resolution numbered 6, provided that the amount of Shares so repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.

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## NOTICE OF ANNUAL GENERAL MEETING

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8. **THAT** subject to and conditional upon the Listing Committee of GEM granting the listing of, and permission to deal in, such number of fully paid Shares which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 10 August 2011 (the “**Share Option Scheme**”) and any other share option schemes of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, the existing scheme mandate limit in respect of the grant of share options under the Share Option Schemes be refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Schemes and any other option schemes of the Company shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution.

By Order of the Board  
**Yung Kwok Leong**  
*Chairman*

Hong Kong, 30 August 2012

*Registered office:*

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

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

19th Floor, New Wing  
101 King’s Road  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the AGM 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 on his/her/its behalf. A proxy needs not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the AGM is enclosed with the circular of the Company dated 30 August 2012. Whether or not you intend to attend the AGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the AGM or any adjournment thereof, should he/she/its so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's principal place of business in Hong Kong at 19/F., New Wing, 101 King's Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Shares as if he/she/its was solely entitled thereto, but if more than one such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.