



Reyoung Pharmaceutical Holdings Limited
(the "Company")
(Incorporated in Bermuda)
(Company Registration No. 35981)

NOTICE OF ANNUAL GENERAL MEETING

YOU ARE HEREBY NOTIFIED that the 2011 Annual General Meeting of the Company will be held at Conference Room 1, 2nd Floor, Administrative Building at Reyoung Pharmaceutical Co., Ltd., of No. 6, Erlangshan Road, Yiyuan County, Shandong Province, China, on:

Tuesday, 19 July 2011 at 10:00 a.m. (Singapore Time)

AGENDA

AS ORDINARY BUSINESS

1. Accept and receive the Directors' Report and the audited financial statements of the Company for the financial year ended 31 December 2010 together with the Auditor's Report thereon.

(Ordinary Resolution 1)
2. Re-appoint BDO Limited as auditor and determine the remuneration of the auditor or delegate this to the Board.

(Ordinary Resolution 2)
3. Approve, ratify and confirm the payment of Directors' fees of S\$60,000 to the former directors of the Company, Mr. David Zheng Fang Shun, Mr. Ong Tiong Seng and Ms. Tan Siok Chin during the period from 1 January 2011 to 21 April 2011.

(Ordinary Resolution 3)
4. Re-elect Mr. He Maoqun as Director who retires at the forthcoming Annual General Meeting pursuant to Bye-law 104 of the Bye-laws of the Company until the next Annual General Meeting of the Company or until his appointment is terminated in accordance with the Bye-laws of the Company (*Note i*).

(Ordinary Resolution 4)

AS SPECIAL BUSINESS

5. Consider and, if thought fit, to pass the following resolution as a Special Resolution (*Note ii*):

“**THAT** the draft bye-laws of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the Chairman of this meeting be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

(Special Resolution 1)

BY ORDER of the Directors

Secretary

Dated: 24 June 2011

To: All shareholders

Cc: Mr. Zhao Yushan
Mr. He Maoqun

Notes:-

- (i) The directors’ report of the Company for year ended 31 December 2010 stated that on 18 March 2011, i.e. the date of such report, the Company had five directors, namely Mr. Zhao Yushan, Mr. He Maoqun, Mr. David Zheng Fangshun, Mr. Ong Tiong Seng and Ms. Tan Siok Chin and also mentioned that Mr. He Maoqun and Mr. David Zheng Fangshun would retire in the forthcoming annual general meeting. On 21 April 2011, Mr. David Zheng Fangshun, Mr. Ong Tiong Seng and Ms. Tan Siok Chin resigned as directors of the Company. Accordingly, only Mr. He Maoqun seeks for the re-election in this annual general meeting.

(ii) RATIONALE FOR THE ADOPTION OF NEW BYE-LAWS

As the Shares of the Company were delisted from Singapore Exchange Securities Trading Limited (“SGX”) on 21 April 2011, the Company has become a private company as opposed to one which is listed and the Company is no longer subject to the rules and regulations of the SGX-ST subsequent to delisting. Some of the provisions in the existing Bye-laws of the Company that are required by the rules and regulations of the SGX-ST are more complex than required for a private company.

Therefore, the Directors propose the adoption of a new set of bye-laws (“New Bye-laws”) which are more flexible and do not contain the provisions required by the rules and regulations of the SGX-ST.

PROVISIONS OF THE NEW BYE-LAWS

The Directors would like to draw your attention to some of the provisions contained in the New Bye-laws which may be of interest to you:

Repurchase of Shares (Bye-law 3.3)

The Directors may, at its discretion and without the sanction of a resolution of the shareholders, authorize the purchase by the Company of its own Shares, subject to the provisions of the Companies Act 1981 of Bermuda (the “Companies Act”).

Transfer Mechanism (Bye-law 12.2A)

Section 103 of the Companies Act does not contain a mechanism for dealing with Shareholders who do not execute the transfer instrument to transfer their Shares to an offeror. In these circumstances, the Company would have to apply to a court in Bermuda under section 67 of the Companies Act whereby the court can make an order to enable the register of members of the Company to be rectified so that the name of the offeror will be entered into the register of members of the Company in place of those Shareholders who have not responded.

As an alternative to this application to the court, the Company can amend its Bye-laws to provide for a transfer mechanism should the situation contemplated above occur.

The Directors are of the view that, as an application to the court under section 67 will be both costly and time-consuming, it is in the best interest of the Company to have the provisions in bye-law 12.2A of the New Bye-laws to provide for such a transfer mechanism.

General Meetings (Bye-law 17)

The Directors have discretion as to where to hold the general meetings so there is flexibility in this regard.

Notice of General Meetings (Bye-law 18)

The general meeting will be called by not less than five (5) days’ notice in writing and the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and the nature of business to be considered.

Voting (Bye-laws 20 and 21)

Unless provided for expressly in the New Bye-laws or the Companies Act, any question proposed for consideration at any general meeting will be decided on by a simple majority of votes cast.

Any shareholder may appoint a proxy or (if a corporation) representative for a specific general meeting, and adjournments thereof, or may appoint a standing proxy or (if a corporation) representative, by serving on the Company at the registered office, or at such place or places as the Board may otherwise specify for the purpose, a proxy or (if a corporation) an authorisation. Any standing proxy or authorisation shall be valid for all general meetings and adjournments

thereof or resolutions in writing, as the case may be, until notice of revocation is received at the registered office or at such place or places as the Directors may otherwise specify for the purpose. Where a standing proxy or authorisation exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the shareholder is present or in respect to which the shareholder has specially appointed a proxy or representative. The Directors may from time to time require such evidence as they shall deem necessary as to the due execution and continuing validity of any standing proxy or authorisation and the operation of any such standing proxy or authorisation shall be deemed to be suspended until such time as the Directors determine that they have received the requested evidence or other evidence satisfactory to them.

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic records, unless (before or on the declaration of the result of the show of hands or count of votes received as electronic records or on the withdrawal of any other demand for a poll) a poll is demanded by:

- a) the chairman of the meeting; or
- b) at least three (3) shareholders present in person or represented by proxy; or
- c) any shareholder or shareholders present in person or represented by proxy and holding between them not less than one tenth (1/10) of the total voting rights of all shareholders having the right to vote at such meeting; or
- d) a shareholder or shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth (1/10) of the total sum paid up on all such shares conferring such right.

On a poll, votes may be cast either personally or by proxy.

Number of Directors (Bye-law 22)

Pursuant to the New Bye-laws, the shareholders can determine, by resolution, from time to time, the maximum number of Directors and in the New Bye-laws, the number of Directors shall not be less than two (2) and not more than twenty (20).

The Directors shall be elected or appointed by the Company by resolution and shall serve for such terms as the Company by resolution may determine, or in the absence of such determination, until the termination of the next annual general meeting following their appointment.

Power of the Board of Directors (Bye-law 27)

The board of Directors may exercise all the powers of the Company except those powers that are required by the Companies Act or by the New Bye-laws to be exercised by the Shareholders.

Dividends and Distributions (Bye-law 34)

The Directors may from time to time declare dividends or distributions out of contributed surplus to be paid to shareholders including such interim dividends as appear to the Directors to be justified by the position of the Company. Further, the Directors, in their discretion, may determine that any dividend to be paid in cash or be satisfied, subject to other provisions of the New Bye-laws, in paying up in full shares in the Company to be issued to the shareholders credited as fully paid or partly paid or partly in one way and partly the other.

Any dividend or distribution out of contributed surplus unclaimed for a period of six (6) years from the declaration of such dividend or distribution shall be forfeited and shall revert to the Company.

The Directors can also direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, in particular of paid up shares or debentures of any other company.

Capitalisation of Profits (Bye-law 36)

The Directors may from time to time resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account and accordingly that such amount be set free for distribution amongst the shareholders or any class of shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such shareholders, or partly in one way and partly in the other.

Alteration of Bye-laws (Bye-law 45)

The New Bye-laws may be amended from time to time by resolution of the Directors but subject to approval by resolution of the shareholders.

RECOMMENDATION OF THE DIRECTORS

As such, the Directors are of the view that it will be in the best interest of the Company to adopt the New Bye-laws which are more flexible and do not contain the more stringent requirements set out in the rules and regulations of the SGX-ST.

Enclosed with this notice are the set of draft New Bye-laws which is proposed to be adopted in substitution of the current Bye-laws.

You are strongly advised to review the provisions contained in the New Bye-laws and seek independent legal advice thereon as the New Bye-laws, once approved and adopted at the Annual General Meeting, will be binding on you.