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李 氏 大 藥 廠

Lee's Pharmaceutical Holdings Limited

李 氏 大 藥 廠 控 股 有 限 公 司*

(incorporated in the Cayman Islands with limited liability)

**LISTING BY WAY OF PLACING
ON
THE GROWTH ENTERPRISE MARKET
OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

Number of Placing Shares	90,000,000 Placing Shares comprising 75,000,000 New Shares and 15,000,000 Sale Shares (subject to Over-allotment Option)
Placing Price	: HK\$0.40 per Placing Share
Nominal value	: HK\$0.05 each
Stock code	: 8221

Joint Sponsors



ASIA INVESTMENT CAPITAL LIMITED



Lead Manager



CM-CCS Securities Limited

Underwriters

**CM-CCS Securities Limited
Shun Loong Securities Company Limited
Karl-Thomson Securities Company Limited**

**Asia Investment Capital Limited
Sanfull Securities Limited**

A total of 90,000,000 Placing Shares initially available for subscription under the Placing (without taking into account any Shares which may fall to be issued pursuant to the exercise, if any, of the Over-allotment Option) were approximately 1.1 times subscribed and were placed to professional, institutional and other individual investors. The placees are independent of and not connected with the directors, chief executive, substantial shareholders and initial management shareholders of the Company or an associate of any of them.

Pursuant to the Underwriting and Placing Agreement, the Company has granted to the Underwriters the Over-allotment Option exercisable by CM-CCS (on behalf of the Underwriters), at any time within 30 days from the date of the Prospectus, to require the Company to allot and issue at the Placing Price up to 13,500,000 additional Shares, representing 15 per cent. of the Placing Shares initially offered under the Placing, on the same terms as those applicable to the Placing to cover over-allocations in the Placing. As at the date of this announcement, the Over-allotment Option has not been exercised by CM-CCS.

The Company will have a public float of approximately 31.1 per cent. of its enlarged share capital immediately following the Placing but without taking into account any Shares which may fall to be issued pursuant to the exercise, if any, of the Over-allotment Option.

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Monday, 15th July, 2002.

Unless otherwise defined herein, the capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus of Lee's Pharmaceutical Holdings Limited (the "Company") dated 3rd July, 2002 (the "Prospectus").

LEVEL OF INTEREST

The subscription for a total number of 98,850,000 Placing Shares have been received by CM-CCS, equivalent to approximately 1.1 times over-subscription of the total number of 90,000,000 Placing Shares initially offered under the Placing. The 90,000,000 Placing Shares have been conditionally allocated in full to 107 professional, institutional and other individual investors. The placees are independent of and not connected with the Directors, chief executive, substantial shareholders and initial management shareholders of the Company or an associate of any of them.

RESULTS OF ALLOCATION

Pursuant to the Placing, the 90,000,000 Placing Shares will be held by a total of 107 placees, as follows:

Number of Placing Shares	Number of placees
5,000 - 20,000	44
20,001 - 50,000	8
50,001 - 100,000	10
100,001 - 500,000	16
500,001 - 1,000,000	15
1,000,001 - 5,000,000	9
5,000,001 - 10,000,000	3
10,000,001 or above	<u>2</u>
Total	<u>107</u>

The following table sets out the distribution of the 90,000,000 Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after the completion of the Placing
Top 1 placee	12,800,000	14.2	4.4
Top 5 placees	44,950,000	49.9	15.5
Top 10 placees	62,450,000	69.4	21.6
Top 25 placees	79,750,000	88.6	27.6

There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

Save as disclosed in the following table, no Placing Shares have been placed to any person or group of persons as specified in Rule 10.12(4) of the GEM Listing Rules:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after the completion of the Placing
An employee of a distributor	10,000	0.011%	0.00346%
A spouse of an employee of a distributor	20,000	0.022%	0.00692%
An associate of a director of a distributor	40,000	0.044%	0.01383%

OVER-ALLOTMENT OPTION

Pursuant to the Underwriting and Placing Agreement, the Company has granted to the Underwriters the Over-allotment Option exercisable by CM-CCS (on behalf of the Underwriters), at any time within 30 days from the date of the Prospectus, to require the Company to allot and issue at the Placing Price up to 13,500,000 additional Shares, representing 15 per cent. of the Placing Shares initially offered under the Placing, on the same terms as those applicable to the Placing to cover over-allocations in the Placing. As at the date of this announcement, the Over-allotment Option has not been exercised by CM-CCS. An announcement will be made if the Over-allotment Option is exercised.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to the GEM Listing Rules, the Company is required to maintain a public float of not less than 25 per cent. of its issued share capital at all times immediately after the listing of the Shares on GEM. Immediately following the Placing but without taking into account the Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option, the Company will have a public float of approximately 31.1 per cent. of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

The share certificates for the Placing Shares will be issued in the name of HKSCC Nominees Limited and deposited into CCASS on Friday, 12th July, 2002 for credit to the respective CCASS participants' stock accounts designated by the Underwriters, the placees or their agents, as the case may be, before dealings in the Shares on GEM are to commence. No temporary documents of title will be issued.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Monday, 15th July, 2002.

By order of the Board
Lee's Pharmaceutical Holdings Limited
Lee Siu Fong
Chairman

Hong Kong, 11th July, 2002

This announcement for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement and a copy of the Prospectus will remain on the GEM website at www.hkgem.com.

** For identification purposes only*