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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)

CLARIFICATION ANNOUNCEMENT

Lee's Pharmaceutical Holdings Limited wish to clarify certain press articles in relation to profit expectation and a possible acquisition of Company's shares by a European-based pharmaceutical company.

Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the “Board”) of Lee's Pharmaceutical Holdings Limited (the “Company”) have noted that certain articles (the “Articles”) appearing in various newspaper today contained comments attributed to a Director to the effect that the Company expected to report a profit for the current financial year and a possible acquisition of Company's shares by a European-based pharmaceutical company.

The Company would like to clarify that during the interview, Dr. Li Xiaoyi (“Dr. Li”), a director of the Company, only expressed the possibility of a turnaround from loss to profit in the Company's business and no forecast and/or figures were given by Dr. Li then. Moreover, Dr. Li in the same occasion only expressed that there have been buyers looking for potential and profitable pharmaceutical companies and no indication was made by Dr. Li that there was a potential buyer for the Company's shares. The Board also wishes to clarify that the aforementioned comments were purely an expectation of Dr. Li and he had already stated in the interview his position and expectation was based on his understanding of the business performance of the Company, which was also consistent with the information disclosed in the Company's previous quarterly reports. The Board confirms that the statement in relation to the possible acquisition of the Company's share did not have any substance.

Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

The Board considers that the information contained in the Articles does not constitute a profit forecast and does not constitute a notifiable transaction pursuant to Chapter 19 or 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange (the “GEM Listing Rules”) or under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

* For identification purpose only

The Board also noted the decrease in price of the shares of the Company today and wishes to state that the Board is not aware of any reasons for such decrease.

Save for the aforesaid discussion, the Board further confirms that there are no negotiations or realisations which are discloseable pursuant to Chapter 19 or 20 of the GEM Listing Rules, neither are the Directors aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

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

Hong Kong, 14 January 2004

This announcement, 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.leespharm.com.