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This announcement, for which the directors of the Company 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 of the Company having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) 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.



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)

(Stock Code: 8221)

CLARIFICATION ANNOUNCEMENT

The Board would like to clarify that Zengen is a public shareholder of the Company within the meaning of the GEM Listing Rules.

Reference is made to the circular (the “**Circular**”) published by the Company on 24 February 2005. In the Circular, for the purpose of illustrating the public float of the Company before and after exercising in full the subscription rights attaching to the Warrants, Zengen has not been included in the category of public shareholders. As a result, it was mentioned in the Circular that immediately after the full exercise of the subscription rights attaching to the Warrants by Defiante, the public float of the Company would be diluted to approximately 23.59% below the minimum percentage of 25% required to be held by the public as stipulated under the GEM Listing Rules.

The Board wishes to clarify that (i) from the date the Listing until the date of this announcement, Zengen was at all times interested in 9.6 million Shares, representing approximately 3.3% of the Company’s total issued share capital immediately after the Listing and approximately 2.8% of the Company’s total issued share capital as of the date of this announcement; (ii) at the time of the Listing and during the 12-month period commencing from the date of the Listing, Zengen was not an initial management Shareholder within the meaning of the GEM Listing Rules (note 2b to rule 11.23(5)); (iii) at the time of the Listing and during the six-month period commencing from the date of the Listing, Zengen was not a significant Shareholder within the meaning of the GEM Listing Rules (note 2c to rule 11.23(5)); (iv) Zengen

* For identification purpose only

was at all times an independent third party which was not and not connected with any of the directors, chief executives, substantial Shareholders, employees of the Group or any of their respective subsidiaries and associates (notes 2a and 2d to rule 11.23(5)); (v) the acquisition of the Shares held by Zengen was not financed directly or indirectly by any connected person of the Company (note 3a to rule 11.23(5)); and (vi) Zengen was not accustomed to taking instructions from any connected person of the Company in relation to the acquisition, disposal, voting or other disposition of the Shares held by it (note 3b to rule 11.23(5)). Accordingly, the Board is of the view that since the expiration of the initial 12-month lock -up period commencing from the date of the Listing, Zengen fell within the meaning of “public” under Notes 2 and 3 to Rule 11.23(5) of the GEM Listing Rules.

On the basis of the above, upon full exercise of the subscription rights attaching to the Warrants by Defiante, the public float of the Company will be approximately 25.6%, which is above the minimum percentage of 25% required to be held by the public in compliance with the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“associate(s)”	as defined in the GEM Listing Rules
“Board”	the board of directors of the Company
“Company”	Lee’s Pharmaceutical Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued Shares listed on GEM
“connected person”	as defined in the GEM Listing Rules
“Defiante”	Defiante Farmaceutica, Lda, a substantial Shareholder of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Listing”	the initial listing of the Shares on GEM
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HK\$0.05 each
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Warrants”

certain unlisted warrants issued by the Company to Defiante, pursuant to a subscription agreement dated 30 July 2004 entered into between the Company and Defiante, further details of which are set out in the circular published by the Company on 24 February 2005

“Zengen”

Zengen Inc., a company incorporated in the United States on 18 May 1999

“%”

per cent

By Order of the Board of
Lee’s Pharmaceutical Holdings Limited
Lee Siu Fong
Chairman

Hong Kong, 11 April 2007

As at the date hereof, Ms. Lee Siu Fong, Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive directors of the Company; Dr. Mauro Bove is a non-executive director of the Company; Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive directors of the Company.

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 day of its posting, and on the website of the Company at www.leespharm.com.