
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 your 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 Lee’s Pharmaceutical Holdings Limited (the “Company”), you should at once hand this circular and the proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.



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)

**GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE ITS OWN SHARES
AND
RE-ELECTION OF DIRECTORS**

The notice convening the annual general meeting of the Company to be held at Unit 110-111, Bio-Informatics Centre, No. 2 Science Park West Avenue, Hong Kong Science Park, Shatin, Hong Kong on 30 April 2008 (Wednesday) at 3:30 p.m. is set out in the annual report of the Company for the year ended 31 December 2007 (the “2007 Annual Report”).

A form of proxy for the annual general meeting is enclosed with the 2007 Annual Report. Whether or not you propose to attend the annual general meeting, you are requested to complete the form of proxy and return the same to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting (as the case may be) if you so wish.

This circular 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 publication.

* For identification purpose only

25 March 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

LETTER FROM THE BOARD OF DIRECTORS



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)

Executive Directors:

Ms. Lee Siu Fong (*Chairperson*)

Ms. Leelertsuphakun Wanee

Dr. Li Xiaoyi

Registered office:

PO Box 309 GT, Ugland House

South Church Street, George Town

Grand Cayman, Cayman Islands

Non-executive Director:

Mr. Mauro Bove

Principal place of business in Hong Kong:

Unit 110-111, Bio-Informatics Centre,

No. 2 Science Park West Avenue,

Hong Kong Science Park, Shatin

Hong Kong

Independent non-executive Directors:

Dr. Chan Yau Ching, Bob

Mr. Lam Yat Cheong

Dr. Tsim Wah Keung, Karl

25 March 2008

To the shareholders of the Company

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE ITS OWN SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

The purpose of this circular is to set out the information and to seek your approval in relation to the general mandates to issue shares and to repurchase shares of the Company and the re-election of Directors.

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASES ITS OWN SHARES

The Company's existing mandates to issue and repurchase shares of the Company ("Shares") were approved by the Company's then shareholders at the annual general meeting held on 30 April 2007. Unless otherwise renewed, the existing mandates to issue and to repurchase Shares will lapse at the conclusion of the coming annual general meeting of the Company to be held at Unit 110-111, Bio-Informatics Centre, No. 2 Science Park West Avenue, Hong Kong Science Park, Shatin, Hong Kong on Wednesday, 30 April 2008 at 3:30 p.m. (the "AGM").

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LETTER FROM THE BOARD OF DIRECTORS

In compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and to ensure flexibility when it is desirable to allot additional Shares or to repurchase Shares, the directors of the Company (the “Directors”) will seek the approval of shareholders of the Company at the AGM to grant new general mandates to issue and to repurchase Shares.

The purpose of this circular is to provide you with information relating to the ordinary resolutions nos. 5A to 5C (the “Ordinary Resolutions nos. 5A, 5B and 5C” respectively) to be proposed at the AGM (i) to grant to the Directors a fresh general mandate (“New Issue Mandate”) to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Ordinary Resolution no. 5A; (ii) to grant to the Directors a fresh general mandate (“Repurchase Mandate”) to exercise the powers of the Company to repurchase the Company’s fully paid up Shares up to 10% of the aggregate nominal amount of the issued shares capital of the Company as at the date of passing of the Ordinary Resolution no. 5B; and (iii) by extending the general mandate granted pursuant to Resolution no. 5A, to allot, issue and otherwise deal with Shares with an aggregate nominal amount not exceeding the aggregate nominal amount of the share capital of the Company purchased pursuant to the Repurchase Mandate and not exceeding 10% of the aggregate nominal amount of share capital of the Company in issue at the date of passing this Ordinary Resolution no. 5C (as more particularly described in the Ordinary Resolution no. 5C).

The previously granted general mandates will lapse at the conclusion of the AGM.

Under Rule 13.08 of the GEM Listing Rules, the Company is required to give its shareholders all information which is reasonably necessary to enable its shareholders to make an informed decision as to whether to vote for or against the resolution to renew the New Issue Mandate and the Repurchase Mandate. This circular is prepared for such purpose. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in Appendix I to this circular. The New Issue Mandate and the Repurchase Mandate will be valid from the date of passing the relevant resolutions and will expire upon (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 its memorandum and articles of association of any 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 of the Company in general meeting, whichever occurs first.

The Company has in issue an aggregate of 414,625,000 Shares as at 18 March 2008, being the latest practicable date (the “Latest Practicable Date”) prior to the printing of this circular.

Subject to the passing of the Ordinary Resolution no. 5A and in accordance with the terms therein, the Company would be allowed to allot additional Shares up to the aggregate nominal amount of a maximum of 82,925,000 Shares on the basis that no further Shares will be issued or repurchased prior to the AGM.

Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate on the date of passing the resolution approving the Repurchase Mandate will be 41,462,500 Shares.

LETTER FROM THE BOARD OF DIRECTORS

RE-ELECTION OF DIRECTORS

Ms. Lee Siu Fong, Mr. Mauro Bove and Mr. Lam Yat Cheong shall retire and, being eligible, will offer themselves for re-election at the AGM in accordance with Articles 95 and 112 of the Company's Articles of Association.

Brief biographical details of the retiring Directors who have offered himself to be re-elected at the AGM are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

A notice of the AGM is set out in the Annual Report accompanying this circular.

The Notice and a form of proxy for use at the AGM are enclosed with the 2007 Annual Report. To be valid, the form of proxy for use at the AGM must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned thereof should you so wish.

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 enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RECOMMENDATION

The Directors believe that the granting of fresh general mandates to allot, issue and deal with new Shares, to repurchase Shares and re-election of Directors are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of these resolutions to be proposed at the AGM.

LETTER FROM THE BOARD OF DIRECTORS

PROCEDURES FOR DEMANDING POLL BY SHAREHOLDERS

Pursuant to Article 76 of Articles of Association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required by the GEM Listing Rules. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (c) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meeting of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

In addition, pursuant to Article 77 of the Articles of Association of the Company, if a poll is demanded as aforesaid, it shall (subject as provided in Article 78 of the Articles of Association of the Company) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Pursuant to Articles 86 and 92 of the Articles of Association of the Company, a demand by a person as proxy for a member or, in the case of a member being a corporation, by its duly authorized representative shall be deemed to be the same as a demand by a member.

Yours faithfully,
By order of the Board
Lee's Pharmaceutical Holdings Limited
Lee Siu Fong
Chairperson

1. GENERAL MANDATE TO REPURCHASE SHARES

This appendix I serves as an explanatory statement, as required by the Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

2. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on GEM subject to certain restrictions, namely, Rule 13.04 to Rule 13.14, the more important of which are summarised below. The Company is empowered by its memorandum and articles of association to repurchase its own Shares.

(a) Shareholders' approval

All repurchase of Shares of the Company must be approved in advance by shareholders either by way of specific approval or a general mandate to the directors of the Company to make such purchase(s) by way of an ordinary resolution in accordance with Rule 13.09 of the GEM Listing Rules.

(b) Source of funds

Repurchase must be funded out of funds which are legally permitted to be utilised for such purpose and in accordance with the memorandum and articles of association of the Company and the laws of Hong Kong and the applicable Companies Law (2004 Revision) of the Cayman Islands (the "Companies Law"). A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(c) Connected persons

The GEM Listing Rules prohibit a company from knowingly repurchasing shares on GEM from a "connected person", that is, a director, chief executive, substantial shareholder or management shareholder of the company or any of its subsidiaries or any of their associates (as defined in the GEM Listing Rules) and a connected person is prohibited from knowingly selling his shares to the company on GEM.

As at the Latest Practicable Date, to the best knowledge of the Directors, no connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him/her to the Company in the event that such mandate as proposed in the Ordinary Resolution no. 5B is approved by the shareholders of the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 414,625,000 shares of HK\$0.05 each.

Subject to the passing of 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 41,462,500 Shares of HK\$0.05 each during the period from the date of passing of the Ordinary Resolution no. 5B up to (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 its memorandum and articles of association or any 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 of the Company in general meeting, whichever occurs first.

4. REASONS FOR THE REPURCHASES

Although the Directors have no present intention of repurchasing any Shares of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be in the best interests of the Company and its shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase of Shares will benefit the Company and its shareholders.

5. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally permitted to be utilised for such purpose in accordance with its memorandum and articles of association, the laws of Hong Kong, the GEM Listing Rules and the applicable laws of the Cayman Islands.

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funded legally available under applicable laws of the Cayman Islands for such purpose. The Company may not repurchase its own Shares on 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.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company as compared with the position disclosed in the most recent published audited consolidated accounts contained in the annual report for the year ended 31 December 2007. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital requirement or gearing of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the GEM in each of the previous twelve months before the Latest Practicable Date were as follows:

Month	Prices of Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
March	0.300	0.230
April	0.330	0.300
May	0.360	0.200
June	0.980	0.300
July	0.460	0.305
August	0.490	0.300
September	0.480	0.315
October	0.550	0.450
November	0.560	0.435
December	0.520	0.450
2008		
January	0.510	0.405
February	0.510	0.425
March (up to the Latest Practicable Date, 18 March 2008)	0.425	0.400

7. DIRECTORS' INTENTION TO SELL SHARES TO THE COMPANY

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the GEM Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the shareholders of the Company.

8. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate, if granted, in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands.

In the event that the substantial Shareholders do not dispose of their Shares, if the Repurchase Mandate were exercised in full, the percentage shareholding of the substantial Shareholders of the Company before and after such repurchase would be as follows:

Name	Notes	Before repurchase	After repurchase
Huby Technology Limited	(i)	29.01%	32.23%
Ms. Lee Siu Fong		31.50%	35.00%
Ms. Leelalertsuphakun Wanee		31.56%	35.07%
Dr. Li Xiaoyi		12.32%	13.69%
Defiante Farmaceutica, Lda	(ii)	29.87%	33.19%

Notes:

- (i) Huby Technology Limited is beneficially owned as to 50% by Ms. Lee Siu Fong and as to 50% by Ms. Leelalertsuphakun Wanee, both of whom are Directors.
- (ii) Defiante Farmaceutica, Lda is beneficially owned by Mr. Claudio Cavazza and Mr. Paolo Cavazza.

9. TAKEOVER CODE CONSEQUENCES

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase its Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder or a group of shareholders acting in concert (within the meaning under the Code) 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 Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, each of the substantial Shareholders, namely, Huby Technology Limited, the beneficial owners of Huby Technology Limited, namely, Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee, Dr. Xiaoyi and Defiante Farmaceutica, Lda, held 29.01%, 31.50%, 31.56%, 12.32% and 29.87% of the issued share capital of the Company respectively. In the event that the Directors exercise in full the power to repurchase shares of the Company in accordance with the terms of the Ordinary Resolution no. 5B to be proposed at the AGM, the total interests of Huby Technology Limited, Ms. Lee Siu Fong, Ms. Leelalertsuphakun Wanee, Dr. Xiaoyi and Defiante Farmaceutica, Lda. in the existing share capital of the Company would be proportionally increased to approximately 32.23%, 35.00%, 35.07%, 13.69% and 33.19% respectively. On the basis of the shareholdings held by the substantial Shareholders named above, an exercise of the Repurchase Mandate in full will give rise to an obligation on the part of the substantial Shareholders namely, Huby Technology Limited, Ms. Lee Siu Fong and Ms. Leelalertsuphakun Wanee (in aggregate

controlling the voting rights of 31.56% and 35.07% of the issued share capital of the Company before and after such repurchase respectively), and Defiante Farmaceutica, Lda, to make a mandatory offer under Rule 26 of the Code. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in mandatory offer under the Code.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of repurchase, an exercise of the Repurchase Mandate whether in whole or in part will result in less than the relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such minimum percentage.

10. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of its Shares (whether on GEM or otherwise) during the previous six months.

The following are the particulars of the Directors proposed to be re-elected at the AGM:

1. Lee Siu Fong

Chairman, 51

Ms. Lee Siu Fong (“Ms. Lee”) joined the Group in April 1997 and has since been responsible for the Group’s financial affairs. Ms. Lee is an entrepreneur and had since 1992 established and run several companies with primary responsibility in financial affairs. Ms. Lee is the sister of Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi.

Ms. Lee Siu Fong has entered into a service contract with the Company under which she has been appointed to act as an executive Director on a continuous basis until terminated by either party by giving to the other party not less than three months’ notice in writing. Salary and allowances will be determined by the Board with reference to her contribution in terms of time, effort and her expertise and her current salary and allowance is HK\$75,000 per month. Bonus will be paid at the absolute discretion of the Board after taking into consideration the operating results of the Company and its subsidiaries (the “Group”) and the performance of the Director. Ms. Lee does not hold directorship in other listed companies.

At the Latest Practical Date, Ms. Lee personally held 2,334,375 shares of the Company. She also had corporate interest in 128,290,625 shares of the Company where the shares are held through Hubby Technology Limited and Dynamic Achieve Investments Limited. Each of Hubby Technology Limited and Dynamic Achieve Investments Limited is an investment holding company jointly owned by Ms. Lee and Ms. Leelalertsuphakun Wanee. Ms. Lee also beneficially owned 1,600,000 share options of the Company. Save as disclosed above, Ms. Lee did not have any other interests in the ordinary shares of the Company within the meaning of Part XV of the SFO.

2. Mauro Bove

Non-executive Director, 53

Mr. Mauro Bove (“Mr. Bove”) joined the Group on 9 May 2005. Mr. Bove obtained his law degree at the University of Parma, Italy, in 1980. He has more than twenty five years of business and management experience within the pharmaceutical industry. He has served in a number of senior positions in business, licensing, M&A and corporate development within Sigma-Tau, one of the leading Italian pharmaceutical groups. He presently heads the corporate and business development department and sits on the board of directors of Sigma-Tau Finanziaria S.p.A., the holding company of Sigma-Tau group. Mr. Bove is connected with Defiante Farmaceutica Lda (“Defiante”), a substantial shareholder of the Company as Defiante is a company belonging to Sigma-Tau group. Save as disclosed above, he 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), and does not hold directorship in other listed companies.

Mr. Bove has a three-year service contract with the Company from 3 January 2006. Director’s fee is HK\$50,000 per annum and bonus will not be paid. Director’s fee is determined by the Board with reference to the market rate and the size of the Group.

As at the Latest Practicable Date, Mr. Bove beneficially owned 1,000,000 share options of the Company. Save as disclosed above, he did not have any other interests in the ordinary shares of the Company within the meaning of Part XV of the SFO.

3 Lam Yat Cheong

Independent non-executive Director & audit committee member, 46, CPA(Practising), FCCA, BBA

Mr. Lam Yat Cheong ("Mr. Lam") joined the independent Board on 1 July 2004. Mr. Lam is a sole proprietor of an audit firm and has over 20 years of auditing and accounting experience. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Lam is also an independent non-executive director of Perfectech International Holdings Limited and Wuyi International Pharmaceutical Company Limited, both of the companies are listed in Hong Kong. Mr. Lam does not have any relationship with any Director, substantial shareholder or controlling shareholder of the Company.

Mr. Lam has a three-year service contract with the Company from 1 July 2007. Director's fee is HK\$50,000 per annum and bonus will not be paid. Director's fee is determined by the Board with reference to the market rate and the size of the Group. Save as disclosed above, Mr. Lam does not hold directorship in other listed companies.

As at the Latest Practicable Date, Mr. Lam beneficially owned 300,000 share options of the Company. Save as disclosed above, he did not have any other interests in the ordinary shares of the Company within the meaning of Part XV of the SFO.

The Directors believe there is no matter relating to the above retiring directors proposed to be re-elected at the AGM that needed to be brought to the attention of the shareholder of the Company and there is no information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2)(h)-(v) of the GEM Listing Rules.