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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Lee's Pharmaceutical Holdings Limited (the "**Company**") will be held at Units 110-111, Bio-Informatics Centre, No. 2 Science Park West Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong on Thursday, 31 December 2009 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (with or without modifications) as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

Resolutions in relation to the continuing connected transactions

“ (1) **THAT**

- (a) the carrying on of the continuing connection transactions between the Company and Sigma-Tau Industrie Farmaceutiche Riunite SpA ("**Sigma-Tau Industrie**") in accordance with the terms of a distribution agreement dated 24 November 2009 (the "**Distribution Agreement**") (the "**Continuing Connected Transactions**") and the transactions as contemplated under the Distribution Agreement be and are hereby approved, confirmed and ratified;
- (b) the terms and conditions of the Distribution Agreement entered into between the Company and Sigma-Tau Industrie be and are hereby approved, confirmed and ratified; and
- (c) the maximum aggregate annual value arising from the Continuing Connected Transactions under the Distribution Agreement for each of the three years ending 31 December 2010, 2011 and 2012, which is estimated to be EUR2,533,160 (approximately HK\$29,131,340), EUR6,037,827 (approximately HK\$69,435,011) and EUR9,875,641 (approximately HK\$113,569,872), respectively (the "**Cap**"), be and are hereby approved, confirmed and ratified; and

* For identification purpose only

- (d) any Director be and is hereby authorized to take such actions and execute such documents for and on behalf of the Company and in case of execution of documents under seal, to do so in the manner as stipulated in the memorandum and articles of association of the Company and for such purposes as the Directors see fit or consider necessary, desirable or expedient in relation to the Continuing Connected Transactions and the Distribution Agreement.”

Resolutions in relation to the Subscription

“ (2) **THAT**

- (a) the terms and conditions of the subscription agreement dated 2 December 2009 (the “**Subscription Agreement**”) entered into, among other, between Powder Pharmaceuticals Incorporated (“**PPI**”), Lee’s Pharmaceutical International Limited (“**Lee’s International**”), Defiante Farmaceutica S.A. (“**Defiante**”), Dr. Li Xiaoyi (“**Dr. Li**”) and the Company, and the entering into the Subscription Agreement be and are hereby approved, confirmed and ratified; and
- (b) the subscription (including but not limited to the subscription by each of Defiante and Dr. Li) and the transactions as contemplated under the Subscription Agreement be hereby approved, confirmed and ratified; and
- (c) the terms and conditions of the shareholders’ agreement (the “**Shareholders’ Agreement**”) to be entered into, among other, between PPI, Lee’s International, Defiante, Dr. Li and the Company, the entering into the Shareholders’ Agreement, and the transactions as contemplated under the Shareholders’ Agreement (including but without limitation the grant of the Rights to Elect (as defined in the circular of the Company dated 14 December 2009) be and are hereby approved, confirmed and ratified; and
- (d) any Director be and is hereby authorised to sign the Subscription Agreement and the Shareholders’ Agreement for and on behalf of the Company, together with such amendments, alterations or deletions as he/she may in his absolute discretion think necessary and appropriate whose signature thereto shall be conclusive evidence of his/her approval to such amendments, alterations or deletions, and any one Director be and is hereby authorised to take such actions and execute such documents for and on behalf of the Company and in case of

execution of documents under seal, to do so in the manner as stipulated in the memorandum and articles of association of the Company and for such purposes as the Directors see fit or consider necessary, desirable or expedient in relation to the Subscription and/or the transactions as contemplated under the Subscription Agreement and/or the Shareholders' Agreement.”

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

Hong Kong, 14 December 2009

Registered office:
PO Box 309 GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Units 110-111, Bio-Informatics Centre
No. 2 Science Park West Avenue
Hong Kong Science Park
Shatin, New Territories, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting or any adjournment thereof is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the above meeting or any adjournment thereof is enclosed. In order to be valid, the form of proxy together with any 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, must be deposited with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding the meeting or any adjournment thereof. In the case of a joint share holding, the form of proxy may be signed by any one joint holder.
3. Completion and return of the accompanying form of proxy will not preclude a member of the Company from attending and voting in person at the above meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.
4. Where there are joint holders of any share in the Company, any one of such holders may vote at the above meeting or any adjournment thereof either personally or by proxy in respect of such shares as if he were solely entitled thereto; but if more than one such joint holders be present at the meeting or any adjournment thereof personally or by proxy, then the one of such holders whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof in person or by proxy (as the case may be).

As at the date thereof, Ms. Lee Siu Fong (Chairman of the Company), Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive Directors; Mr. Mauro Bove is non-executive Director, Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive Directors.

This announcement, for which the directors of the Company 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 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: (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.