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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)

(Stock code on GEM : 8221)

(Stock code on Main Board : 950)

TRANSFER OF LISTING OF THE SHARES FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

On 10 March 2010 the Company made an application to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in: (i) the 450,582,437 Shares in issue; and (ii) the 18,434,057 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules.

The Directors are pleased to announce that the Listing Committee has on 4 May 2010 granted its approval in principle for the Transfer of Listing.

The last day of dealings in the Shares on GEM (Stock code: 8221) will be 13 May 2010. Dealings in the Shares on the Main Board will commence at 9:30 a.m. on 14 May 2010. The Shares will be traded on the Main Board under the new stock code 950.

* For identification purpose only

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

Reference is made to the announcement made by the Company on 10 March 2010 in relation to the proposed Transfer of Listing.

On 10 March 2010 the Company made an application to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in: (i) the 450,582,437 Shares in issue; and (ii) the 18,434,057 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Main Board Listing Rules.

The Directors are pleased to announce that the Listing Committee has on 4 May 2010 granted its approval in principle for the Transfer of Listing.

The Company confirms that all pre-conditions for the Transfer of Listing as set out under Rule 9A.02 of the Main Board Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on GEM since 15 July 2002. The Group is a research-driven and market-oriented biopharmaceutical company focused on the PRC market.

The Directors believe that the Transfer of Listing will enhance the profile and the corporate image of the Group and can improve the trading liquidity of the Shares. The Directors consider that the Transfer of Listing will also be beneficial to the future growth, financing flexibility and business development of the Group.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 15 July 2002, the date on which the Shares were first listed on GEM. Subject to continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock code: 8221) will be 13 May 2010. Dealings in the Shares on the Main Board will commence at 9:30 a.m. on 14 May 2010. The Shares will be traded on the Main Board under the new stock code 950.

EFFECTS OF THE TRANSFER OF LISTING FROM GEM TO THE MAIN BOARD

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title, and be valid for trading, settlement and registration purpose. No change will be made to the existing share certificates, the board lot size or trading currency of the Shares (which is Hong Kong dollars), or the share registrar of the Company in Hong Kong (which is Computershare Hong Kong Investor Services Limited), in connection with such transfer. The Shares will continue to be traded in board lots of 5,000 Shares each. As at the date of this announcement, no plan of change in nature of business of the Group following the Transfer of Listing is contemplated by the Directors. The Transfer of Listing will not involve issue of any new Shares by the Company.

SHARE OPTION SCHEME

The Pre-IPO Share Option Scheme and the Share Option Scheme were adopted by the Company pursuant to the written resolutions passed by the then shareholders of the Company on 26 June 2002. As at the date hereof, two Share Option Schemes fully comply with the requirements under Chapter 17 of the Main Board Listing Rules. The Company has granted 5,000,000 share options under the Pre-IPO Option Scheme and 26,388,057 share options under the Share Option Scheme and as at the date of this announcement, 1,650,000 share options under the Pre-IPO Share Option Scheme and 6,584,000 share options under the Share Option Scheme have been exercised, 3,350,000 share options under the Pre-IPO Share Option Scheme and 1,370,000 share options under the Share Option Scheme have been cancelled and lapsed. The Share Option Scheme will remain effective upon the transfer of the listing of the Shares from GEM to the Main Board. On 30 April 2010, the Scheme Mandate Limit was refreshed at annual general meeting and accordingly, the Company may then grant options in respect of a total of 45,058,243 Shares during the remaining term of the Share Option Scheme.

The listing of the Shares issued and to be issued pursuant to the Share Option Scheme will also be transferred to the Main Board pursuant to Rule 9A.10 of the Main Board Listing Rules. Save for the share options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the Company has not issued any securities convertible or exchangeable into Shares.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The general mandates granted to the Directors to allot, issue and deal with new Shares and repurchase Shares by the Shareholders at the annual general meeting of the Company held on 30 April 2010 will remain valid and with effect when the listing of the Shares is transferred to the Main Board until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

- (b) 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 and regulations of the Cayman Islands and Hong Kong to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

COMPETING INTERESTS

As at the date of this announcement, so far as the Directors are aware, none of the Directors or the controlling shareholders of the Company has any business or interest in a business which competes or potentially competes, either directly or indirectly, with the businesses of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS WITH THE SIGMA-TAU GROUP

The Company has entered into certain continuing connected transactions with the Sigma-Tau Group, details of which have, pursuant to the applicable reporting requirements under the GEM Listing Rules, been disclosed in the published annual reports of the Company for the relevant reporting periods. Notwithstanding the existence of such continuing connected transactions, the Directors consider that the Group is capable of carrying on its businesses independently of, and at arm's length from, the Sigma-Tau Group.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection on the website of the Stock Exchange at www.hkgem.com and www.hkex.com.hk and on the website of the Company at www.leespharm.com:

- (a) the annual report of the Company for the year ended 31 December 2009 including, inter alia, directors' report and financial statements for the year ended 31 December 2009;
- (b) the interim report of the Company for the six months ended 30 June 2009 and the third quarterly report of the Company for the nine months ended 30 September 2009;
- (c) the memorandum and articles of association of the Company;
- (d) the circular of the Company dated 25 March 2009 for approving general mandates to issue Shares and repurchase its own Shares, and re-election of the Directors;
- (e) the circular of the Company dated 14 December 2009 in respect of continuing connected transactions and discloseable and connected transactions;

- (f) the circular of the Company dated 9 March 2010 for approving general mandates to issue Shares and repurchase its own Shares, refreshment of scheme mandate limit of the Share Option Scheme, and re-election of the Directors; and
- (g) the announcements and other corporate communications published by the Company prior to the date of this announcement as required under the Main Board Listing Rules and the GEM Listing Rules.

BIOGRAPHICAL INFORMATION OF THE DIRECTORS

The Company discloses below the biographical information of each current Director:

Executive Directors

Ms. Lee Siu Fong (“Ms. Lee”), aged 53, joined the Group in April 1997 and has been appointed as an executive Director and Chairman on 17 December 2001. Ms. Lee has since been responsible for the Group’s financial affairs. Ms. Lee is an entrepreneur and had since 1992 established and run several companies such as Lee’s Machinery Limited (a company incorporated in Hong Kong and engaged in the trading of ceramics and stone processing machinery, equipment and spare parts since December 1991, with a staff size of around 10 persons) with primary responsibility in financial affairs. Ms. Lee has been the director and shareholder of Lee’s Machinery Limited since 8 January 1992 and 17 December 1991. Lee’s Machinery Limited has become a dormant company since 2003. Ms. Lee is the sister of Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi, both of them are executive Directors and substantial shareholders of the Company. Save as disclosed herein, Ms. Lee does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

Ms. Lee Siu Fong has entered into a service contract with the Company on 14 January 2002 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\$95,287 per month. Bonus will be paid at the absolute discretion of the Board after taking into consideration the operating results of the Group and the performance of the Directors.

As at the date of this announcement, Ms. Lee personally held 2,504,375 Shares. She also had corporate interest in 124,690,625 Shares where such Shares are held through Huby Technology Limited and Dynamic Achieve Investments Limited. Each of Huby 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 448,000 share options of the Company. Saved as disclosed above, Ms. Lee did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Ms. Leelalertsuphakun Wanee (“Ms. Leelalertsuphakun”), aged 56, joined the Group in April 1997 and has been appointed as an executive Director and Managing Director on 17 December 2001 and has been appointed as Chief Marketing Officer in September 2003. Ms. Leelalertsuphakun has since been responsible for the Group’s sales and marketing activities. Ms. Leelalertsuphakun is an entrepreneur and had since 1992 established and run several companies such as Lee’s Machinery Limited (a company incorporated in Hong Kong and engaged in the trading of ceramics and stone processing machinery, equipment and spare parts since December 1991, with a staff size of around 10 persons). Ms. Leelalertsuphakun has been the director and shareholder of Lee’s Machinery Limited since 8 January 1992 and 17 December 1991. Lee’s Machinery Limited has become a dormant company since 2003. Ms. Leelalertsuphakun is the sister of Ms. Lee Siu Fong and Dr. Li Xiaoyi, both of them are executive Directors and substantial shareholders of the Company. Save as disclosed herein, Ms. Leelalertsuphakun does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

Ms. Leelalertsuphakun has entered into a service contract with the Company on 14 January 2002 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 allowances is HK\$133,308 per month. Bonus will be paid at the absolute discretion of the Board after taking into consideration the operating results of the Group and performance of the Directors.

As at the date of this announcement, Ms. Leelalertsuphakun personally held 1,259,000 Shares. She also had corporate interest in 124,690,625 Shares where such Shares are held through Huby Technology Limited and Dynamic Achieve Investments Limited. Each of Huby Technology Limited and Dynamic Achieve Investments Limited is an investment holding company jointly owned by Ms. Lee and Ms. Leelalertsuphakun. Ms. Leelalertsuphakun also beneficially owned 448,057 share options of the Company. Saved as disclosed above, Ms. Leelalertsuphakun did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Dr. Li Xiaoyi (“Dr. Li”), aged 47, joined the Group in February 1994, is the founder of the Group and has been responsible for the daily operation and research and development of the Group. Dr. Li has been appointed as Chief Technical Officer in 2002 and has been appointed as an executive Director and Chief Executive Officer on 1 September 2003. Dr. Li holds a Ph.D. of Pharmacology from the University of Illinois at Chicago and was a postdoctoral fellow with Warner-Lambert, a major pharmaceutical company. Dr. Li is the brother of Ms. Lee and Ms. Leelalertsuphakun, both of them are executive Directors and substantial shareholders of the Company. Save as disclosed herein, Dr. Li does not have any relationship with any Directors, senior management,

substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

Dr. Li Xiaoyi has entered into a service contract with the Company on 1 September 2003 under which he has been appointed to act as an executive Director and the contract has been renewed for three years from 1 September 2007. Either party shall be entitled to terminate the contract by giving to the other party not less than three months' prior notice in writing. If both of the substantial shareholders, namely Ms. Lee and Ms. Leelalertsuphakun, holding less than 30% of the issued share capital of the Company, Dr. Li shall in his absolute discretion terminate such service contract and shall be entitled to the payment equivalent to the aggregate of his monthly salary for the remaining term as compensation or damages for or in respect of such termination. In the opinion of the Directors, such arrangement is fair and reasonable and in the interests of and for the benefit of the Company and its Shareholders as a whole with reference to Dr. Li's expertise in the pharmaceutical field.

Salary and allowances will be determined by the Board with reference to his contribution in terms of time, effort and his expertise and his current salary and allowance is HK\$183,762 per month. Bonus will be paid at the absolute discretion of the Board after taking into consideration the operating results the Group and the performance of the Directors.

As at the date of this announcement, Dr. Li personally held 35,110,000 Shares. He also had family interest in 16,000,000 Shares where such Shares are held by High Knowledge Investments Limited, which is wholly-owned by Ms. Lue Shuk Ping, Vicky, the spouse of Dr. Li. Dr. Li also beneficially owned 3,338,000 share options of the Company and 1,000 shares of an associated corporation (Powder Pharmaceuticals Incorporated) of the Company. Save as disclosed above, Dr. Li did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Non-executive Director

Mr. Mauro Bove, (“**Mr. Bove**”), aged 55, joined the Group on 9 May 2005 and has been appointed as a non-executive Director on 9 May 2005. Mr. Bove obtained his law degree at the University of Parma, Italy, in 1980. Mr. Bove has more than thirty years of business and management experience within the pharmaceutical industry. Mr. Bove has served in a number of senior positions in business, licensing, merger and acquisition and corporate development within Sigma-Tau, one of the leading Italian pharmaceutical groups. Mr. Bove 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, S.A. (“**Defiante**”), a substantial shareholder of the Company as Defiante is a subsidiary of Sigma-Tau Group. Save as disclosed above, Mr. Bove does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

Mr. Bove has a three-year service contract with the Company from 3 January 2009. Director's fee is HK\$75,000 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 date of this announcement, Mr. Bove beneficially owned 1,000,000 share options of the Company. Save as disclosed above, Mr. Bove did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Independent Non-executive Directors

Dr. Chan Yau Ching, Bob (“Dr. Chan”), aged 47, has been appointed as an independent non-executive Director and Chairman of audit committee of the Company on 14 January 2002. Dr. Chan has extensive experience in corporate development and financial management of high-growth companies. Dr. Chan holds a Bachelor of Business Administration (BBA) from the Chinese University of Hong Kong, a Master of Business Administration (MBA) from University of Wisconsin-Madison and a Ph.D. from Purdue University. Dr. Chan was executive director of Hong Kong listed companies, Celestial Asia Securities Holdings Limited during the years 2000 to 2005 and Pricerite Holdings Limited during the years 2003 and 2004. He had been a finance professor of City University of Hong Kong and an adviser to various international institutions, including the United Nations and the Asian Development Bank. Dr. Chan is a Chartered Financial Analyst and a full member of the Hong Kong Securities Institute. Currently Dr. Chan is Investment Director of a Hong Kong listed company, Celestial Asia Securities Holdings Limited. Save as disclosed above, Dr. Chan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

The service contract with Dr. Chan has been renewed for three years on 12 October 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 size of the Group.

As at the date of this announcement, Dr. Chan has interest in 1,190,000 Shares. Save as disclosed above, Dr. Chan did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Lam Yat Cheong (“Mr. Lam”), aged 48, has been appointed as an independent non-executive Director and audit committee member of the Company on 1 July 2004. Mr. Lam is a sole proprietor of an audit firm Vincent Lam & Co. and has over twenty four 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. Save as disclosed above, Mr.

Lam does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

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.

As at the date of this announcement, Mr. Lam beneficially owned 300,000 share options of the Company. Save as disclosed above, Mr. Lam did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporation within the meaning of Part XV of the SFO.

Dr. Tsim Wah Keung, Karl (“Dr. Tsim”), aged 51, has been appointed as an independent non-executive Director and member of audit committee of the Company on 20 September 2004. Dr. Tsim currently serves as Professor of Department of Biology at the Hong Kong University of Science and Technology. He holds a Bachelor of Science degree and a Master degree in Biochemistry from the Chinese University of Hong Kong, and a Doctorate in Molecular Neurobiology from the University of Cambridge. Dr. Tsim has published numerous articles in biological sciences and traditional Chinese medicines. Dr. Tsim also serves in several local committee in advising the development of traditional Chinese medicine as health food products. Save as disclosed above, Dr. Tsim does not have any relationship with any Directors, senior management, management Shareholders, substantial shareholders or controlling shareholders of the Company, and did not hold directorships in other listed companies in the last three years.

Dr. Tsim has a three-year service contract with the Company on 20 September 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.

As at the date of this announcement, Dr. Tsim has interest in 300,000 Shares. Save as disclosed above, Dr. Tsim did not have any other interests in any shares, underlying shares or debentures of the Company and its associated corporation within the meaning of Part XV of the SFO.

The Directors believe that there is no matter relating to the above Directors that needed to be brought to the attention of the Shareholders and there is no information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) (h) to (v) of the Main Board Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Lee’s Pharmaceutical Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are currently listed on GEM
“controlling shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Directors”	the director(s) of the Company, including independent non-executive directors
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM

“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme adopted by the Company on 26 June 2002
“Scheme Mandate Limit”	the limit on the maximum number of Shares that may be issued upon exercise of all share options to be granted under two Share Option Schemes and any other scheme(s) of the Company (i.e. 10% of the Shares in issue as at the date of adoption of two share option schemes by the Company on 26 June 2002)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	Ordinary shares of HK\$0.05 each in the issued share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 26 June 2002 and amended from time to time
“Sigma-Tau Group”	Sigma-Tau Finanziaria S.p.A., a company organized and existing under the laws of Italy, and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Transfer of Listing”	the transfer of listing of the Shares from GEM to the Main Board

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

Hong Kong, 4 May 2010

As at the date of this announcement, Ms. Lee Siu Fong, 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 includes particulars given in compliance with the Main Board Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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.