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LONG FAR

LONG FAR PHARMACEUTICAL HOLDINGS LIMITED

龍發製藥集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2898)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange.

The Board has recently been informed by the Stock Exchange on the basis of information provided by the SFC that there was a concentration of Shares in the hands of a relatively small number of shareholders as at 21 June 2007. **In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Holders of the securities of the Company and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

SHAREHOLDINGS IN THE COMPANY

The board (the “**Board**”) of directors (the “**Directors**”) of Long Far Pharmaceutical Holdings Limited (the “**Company**”) was informed by the Stock Exchange that based on the information provided by the Securities and Futures Commission of Hong Kong (the “**SFC**”), as at 21 June 2007, (i) the Company’s substantial shareholder Oriental Chinese Medicines Limited, held 450,000,000 shares of the Company (the “**Shares**”), representing 75% of the issued share capital of the Company; (ii) 13 other entities held an aggregate of 144,120,000 Shares, representing 24.02% of the issued share capital of the Company; and (iii) 5,880,000 Shares, representing 0.98% of the issued share capital of the Company, were held in the hands of other investors.

PRICES OF SHARES

According to the information provided by the SFC, the price of the Shares increased 160% from HK\$0.5 as at 22 May 2007 to HK\$1.3 as at 29 June 2007, with an average daily turnover of 531,923 Shares. The closing price of the Shares was HK\$1.6 as at 26 July 2007.

The Directors wish to clarify that as the above information is provided by the SFC and, save for the respective prices of Shares as at 22 May 2007, 29 June 2007 and 26 July 2007 mentioned above, the Company is not in a position to verify or comment on the accuracy of such information.

PUBLIC FLOAT AND GENERAL MATTERS

Based on the information available and to the best knowledge of the Directors, as at 21 June 2007 and as at the date of this announcement, Oriental Chinese Medicines Limited was and is interested in 450,000,000 Shares, representing 75% of the issued share capital of the Company.

The Directors believe that to the best of their knowledge and belief based on the information available to them, not less than 25% of the issued share capital of the Company is held in public hands and the Company is able to comply with the public float requirement under the Listing Rules.

The Company makes this announcement to keep the market informed at the request of the Stock Exchange. **In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

As at the date of this announcement, the Board consists of Mr. Chiu Ka Leung, Ms. Yeh Shu Ping, Mr. Jiao Shaoliang and Mr. Lan Daoying (all being executive Directors), and Mr. Lam Siu Hung, Mr. Guo Guoqing and Mr. Kwok Hok Lun (all being independent non-executive Directors).

By order of the Board
Long Far Pharmaceutical Holdings Limited
Yeh Shu Ping
Director

Hong Kong, 27 July 2007