

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Hua Han Bio-Pharmaceutical Holdings Limited**  
**華瀚生物製藥控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**ISSUE OF UP TO US\$12,000,000 2.5 PER CENT. UNLISTED AND  
UNSECURED REDEEMABLE CONVERTIBLE BONDS DUE 2006 -  
ISSUE OF ADDITIONAL TRANCHE 1 BONDS**

Reference is made to the issue of the Bonds to CSFB, details of which have been contained in the Announcements.

The Directors wish to announce that the Additional Tranche 1 Bonds were issued to CSFB on 5 September 2003 and the Additional Allotment Option has now become exercisable.

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Additional Tranche 1 Bonds and upon exercise of the Additional Allotment Option.

Reference is made to the Company's announcement dated 22 July 2003 (the "First Announcement") in relation to the issue of up to US\$12,000,000 2.5 per cent. unlisted and unsecured redeemable convertible bonds due 2006 and the clarification announcement dated 8 August 2003 (together with the First Announcement, the "Announcements"). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the First Announcement.

**Additional Tranche 1 Bonds and Additional Allotment Option**

As stated under the paragraph headed "Issue of the Bonds" in the First Announcement, pursuant to the Subscription Agreement, the Company has granted to CSFB an option to require the Company to issue the Additional Tranche 1 Bonds up to a principal amount of US\$4,500,000. The Directors wish to announce that the Additional Tranche 1 Bonds were issued to CSFB on 5 September 2003.

The Additional Allotment Option referred to under the paragraph headed "Options for allotment of additional Shares" in the First Announcement has now become exercisable by CSFB. CSFB is entitled to exercise the Additional Allotment Option at any time from and including the Additional Closing Date (i.e. the date on which the Additional Tranche 1 Bonds are issued) to and including the Maturity Date. Exercise of the Additional Allotment Option in full will require the Company to allot and issue 5,897,672 Shares at a subscription price of HK\$1.3094.

## **Mandate to issue Shares**

As set out in the Announcements, new Shares to be issued upon (i) the conversion of the Additional Tranche 1 Bonds; (ii) the exercise of the Additional Allotment Option and (iii) the conversion of the Original Tranche 1 Bonds and the exercise of the First Allotment Option will be issued pursuant to the General Mandate, which allows the Company to allot and issue a maximum of 113,600,000 new Shares.

Accordingly, the maximum number of Shares that could be issued upon conversion of the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds and upon exercise of the First Allotment Option and the Additional Allotment Option is 113,600,000 Shares irrespective of the conversion price.

## **Use of proceeds**

The net proceeds of approximately HK\$32.8 million derived from the issue of the Additional Tranche 1 Bonds, together with the maximum amount of approximately HK\$7.7 million which would be received subject to and upon exercise in full of the Additional Allotment Option (subject to adjustment as set out in the Subscription Agreement), will be used for general working capital purposes.

## **General**

Details of the other principal terms of the Additional Tranche 1 Bonds are set out in the Announcements.

No application for listing of the Additional Tranche 1 Bonds will be made to the Stock Exchange. Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Additional Tranche 1 Bonds and upon exercise of the Additional Allotment Option.

The principal activity of the Group is the research, development, manufacture and sale of Chinese pharmaceutical products primarily for women and the elderly. The Group is also engaged in the research, development, manufacture and sale of naturally-sourced anti-tumour medicines and western pharmaceutical products.

By Order of the Board  
**Hua Han Bio-Pharmaceutical Holdings Limited**  
**Zhang Peter Y.**  
*Chairman*

5 September 2003, Hong Kong

Please also refer to the published version of this announcement in The Standard.