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東北虎藥業股份有限公司
NORTHEAST TIGER PHARMACEUTICAL CO., LTD.

(A joint stock limited company incorporated in the People’s Republic of China)

**Listing on the Growth Enterprise Market of
The Stock Exchange of Hong Kong Limited
by way of Placing**

**Number of Placing Shares : 180,000,000 H Shares
(subject to Over-allotment Option)**
Placing Price : HK\$0.26 per H Share
Nominal value : RMB0.10 each
Stock code : 8197

Sponsor



First Shanghai Capital Limited

Bookrunner and Lead Manager

First Shanghai Securities Limited

Co-managers

Core Pacific-Yamaichi International (H.K.) Limited

JS Cresvale International Limited

Oriental Patron Asia Limited

SBI E2-Capital Securities Limited

South China Securities Limited

SUMMARY

- The Placing Price has been fixed at HK\$0.26 per H Share.
- A total of 180,000,000 H Shares initially available for subscription under the Placing (without taking into account the over-allotment shares of 27,000,000 H Shares) have been 11 times subscribed and conditionally placed by the Underwriters to professional, institutional and individual investors in Hong Kong. The Over-allotment Option referred to in the Prospectus was exercised in full by First Shanghai Capital on Monday, 25 February 2002 to request Northeast Tiger Pharmaceutical Co., Ltd. (the “Company”) to allot and issue an aggregate of 27,000,000 additional H Shares to cover the over-allocations under the Placing. As such, a total of 207,000,000 H Shares have been conditionally placed to professional, institutional and individual investors in Hong Kong.
- Immediately after completion of the Placing (including 27,000,000 H Shares allotted and issued by the Company to cover the over-allocations under the Placing), approximately 27.72% of the registered share capital of the Company will be held in the hands of the public.
- **There is a high concentration of the H Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the H Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing with the H Shares.**
- Dealings in the H Shares on GEM are expected to commence at 10:00 a.m. on Thursday, 28 February 2002.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) dated 20 February 2002 issued by the Company.

LEVEL OF INTEREST

A total of 180,000,000 H Shares initially available for subscription under the Placing (without taking into account the over-allotment shares of 27,000,000 H Shares) have been 11 times subscribed and conditionally placed by the Underwriters to professional, institutional and individual investors in Hong Kong. The Over-allotment Option referred to in the Prospectus was

exercised in full by First Shanghai Capital on Monday, 25 February 2002 to request the Company to allot and issue an aggregate of 27,000,000 additional H Shares to cover the over-allocations under the Placing. As such, a total of 207,000,000 H Shares have been conditionally placed to professional, institutional and individual investors in Hong Kong. All the placees are independent of and not connected with any of the promoters, directors, supervisors, chief executives, substantial shareholders or management shareholders of the Company or any of their respective associates.

The shareholding structure of the Company immediately before and after the issuance of the over-allotment shares is as follows:

Shareholders	Immediately before the issuance of the over-allotment shares		Immediately after the issuance of the over-allotment shares	
	Number of Shares	% of issued share capital (%)	Number of Shares	% of issued share capital (%)
Domestic Shares				
FE Holdings	194,194,580	26.99	194,194,580	26.01
Xu Zhe	183,482,440	25.50	183,482,440	24.57
Xu Dao Tian	150,644,480	20.93	150,644,480	20.18
Li Shu Lian	6,475,850	0.90	6,475,850	0.87
Liu Xiao Hong	1,888,790	0.26	1,888,790	0.25
Zhang Ya Bin	1,618,960	0.22	1,618,960	0.22
Leng Zhan Ren	<u>1,349,140</u>	<u>0.19</u>	<u>1,349,140</u>	<u>0.18</u>
Sub-total	539,654,240	74.99	539,654,240	72.28
H Shares				
Public	<u>180,000,000</u>	<u>25.01</u>	<u>207,000,000</u>	<u>27.72</u>
Total	<u>719,654,240</u>	<u>100.00</u>	<u>746,654,240</u>	<u>100.00</u>

RESULTS OF PLACING

Pursuant to the Placing, an aggregate of 207,000,000 H Shares have been conditionally placed to a total of 266 placees. The following table sets out the concentration of the Placing Shares:

	Aggregate number of the Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after completion of the Placing
Top placee	38,000,000	18.4%	5.1%
Top 5 placees	85,200,000	41.1%	11.4%
Top 10 placees	126,600,000	61.1%	17.0%
Top 25 placees	170,800,000	82.5%	22.88%

The placing of the 207,000,000 H Shares to a total of 266 placees can be analysed as follows:

Number of H Shares	Number of placees
10,000 to 100,000	162
100,001 to 200,000	35
200,001 to 500,000	33
500,001 to 1,000,000	14
1,000,001 to 5,000,000	11
5,000,001 to 10,000,000	9
10,000,001 or above	<u>2</u>
Total	<u>266</u>

There is a high concentration of the H Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the H Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing with the H Shares.

Guangdong Securities Limited has been allocated 4,000,000 Placing Shares, representing approximately 1.9% of the Placing Shares, to be held on its own behalf. Guangdong Securities Limited is independent of and not connected with any of the promoters, directors, supervisors, chief executive, substantial shareholders or management shareholders of the Company or any of their associates (as defined under the GEM Listing Rules) and is not an underwriter or a sub-underwriter of the Placing.

Save for the above, no H Share has been placed to any party or group of persons specified under Rule 10.12(4) of the GEM Listing Rules.

PLACING PRICE

The Company, First Shanghai Capital and First Shanghai Securities (on behalf of the Underwriters) have entered into the Price Determination Agreement on 21 February 2002 pursuant to which the Placing Price was fixed at HK\$0.26 per H Share, being the highest point of the indicative range of the Placing Price.

MINIMUM PUBLIC FLOAT REQUIREMENT

Immediately after completion of the Placing (including 27,000,000 H Shares allotted and issued by the Company to cover the over-allocations under the Placing), approximately 27.72% of the registered share capital of the Company will be held in the hands of the public.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on GEM as well as the compliance with the stock admission requirements of Hongkong Clearing, the H Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by Hongkong Clearing. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shares certificates for the H Shares to be distributed through CCASS are expected to be deposited into CCASS on Wednesday, 27 February 2002 for credit to the stock accounts of the respective designated, CCASS participants of the places.

COMMENCEMENT OF DEALINGS

Dealings in the H Shares on GEM are expected to commence at 10:00 a.m. on Thursday, 28 February 2002.

By order of the Board
Northeast Tiger Pharmaceutical Co., Ltd.
Xu Zhe
Chairman

Hong Kong, 26 February 2002

This announcement, for which the directors of the Company (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, the information contained in this announcement is accurate and complete in all material respects and is not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website from the date of its posting.