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長春達興藥業股份有限公司

Changchun Da Xing Pharmaceutical Company Limited *

(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 OF H SHARES**

Number of Placing Shares	:	140,000,000 H Shares (subject to Over-allotment Option)
Placing Price	:	HK\$0.45 per H Share
Nominal value	:	RMB0.10 per H Share
GEM Stock code	:	8067

Sponsors



CSC Asia Limited



Kingsway Capital Limited

Lead Manager



CSC Securities (HK) Limited

Co-Lead Managers

Kingsway SW Securities Limited

CM-CCS Securities Limited

Kingston Securities Limited

First Asia Finance Group Limited

Luen Fat Securities Company Limited

Co-Managers

Barits Securities (Hong Kong) Limited

First Shanghai Securities Limited

Guotai Junan Securities (Hong Kong) Limited

Sino Grade Securities Limited

Devonshire Securities Limited

Guangdong Securities Limited

IPO Securities Limited

South China Securities Limited

The Placing Shares were placed to professional, institutional and other individual investors and were approximately 10 times over-subscribed. The placees are independent of and not connected with the Directors, chief executive, substantial shareholders and initial management shareholders of the Company or an associate of any of them.

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the Over-allotment Option exercisable by CSC Securities (on behalf of the Underwriters), at any time within 30 days from the date of the Prospectus, to require the Company to issue up to 21,000,000 additional H Shares, representing 15% of the Placing Shares initially offered at the Placing Price in the Placing, on the same terms as those applicable to the Placing to cover over-allocations in the Placing. As at the date of this announcement, the Over-allotment Option has not been exercised by CSC Securities.

The Company will have a public float of approximately 27.8% of its enlarged share capital immediately following the Placing but without taking into account the H Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option.

Dealings in the H Shares on GEM are expected to commence at 9:30 a.m. on Friday, 28th June, 2002.

Unless otherwise defined herein, the capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus of Changchun Da Xing Pharmaceutical Company Limited (the “Company”) dated 21st June, 2002 (the “Prospectus”).

LEVEL OF INTEREST

The subscription for a total number of 1,544,500,000 Placing Shares have been received by CSC Securities, equivalent to approximately 10 times over-subscription of the total number of 140,000,000 Placing Shares initially offered in the Placing. The 140,000,000 Placing Shares have been conditionally allocated in full to 117 professional, institutional and other individual investors. The placees are independent of and not connected with the Directors, chief executive, substantial shareholders and initial management shareholders of the Company or an associate of any of them.

RESULTS OF ALLOCATION

Pursuant to the Placing, the 140,000,000 Placing Shares will be held by a total of 117 placees, as follows:

Number of Placing Shares	Number of placees
5,000 – 20,000	88
20,001 – 50,000	2
50,001 – 100,000	0
100,001 – 500,000	1
500,001 – 1,000,000	5
1,000,001 – 5,000,000	12
5,000,001 – 10,000,000	5
10,000,001 or above	4
Total	<u>117</u>

The following table sets out the distribution of the 140,000,000 Placing Shares:

	Aggregate number of the Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after the completion of the Placing (assuming the Over-allotment Option is not exercised)
Top 1 placee	20,000,000	14.29%	3.70%
Top 5 placees	69,400,000	49.57%	12.85%
Top 10 placees	100,520,000	71.80%	18.61%
Top 25 placees	138,270,000	98.76%	25.61%

Investors should be aware that the concentration of Shareholders may affect the liquidity of the H Shares. Consequently, Shareholders and potential investors are advised to exercise extreme caution when dealing in the H Shares.

No Placing Shares have been placed to any person or group of persons as specified in Rule 10.12(4) of the GEM Listing Rules.

OVER-ALLOTMENT OPTION

Pursuant to the Underwriting Agreement, the Company has granted to the Underwriters the Over-allotment Option exercisable by CSC Securities (on behalf of the Underwriters), at any time within 30 days from the date of the Prospectus, to require the Company to issue up to 21,000,000 additional H Shares, representing 15% of the Placing Shares initially offered at the Placing Price in the Placing, on the same terms as those applicable to the Placing to cover over-allocations in the Placing. As at the date of this announcement, the Over-allotment Option has not been exercised by CSC Securities. An announcement will be made if the Over-allotment Option is exercised.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at all times immediately after the listing of the H Shares on GEM. Immediately following the Placing but without taking into account the H Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option, the Company will have a public float of approximately 27.8% of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

The share certificates for the Placing Shares will be issued in the name of HKSCC Nominees Limited and deposited into CCASS on Wednesday, 26th June, 2002 for credit to the respective CCASS participants' stock accounts designated by the Underwriters, the placees or their agents, as the case may be, before dealings in the H Shares on GEM are to commence. No temporary documents of title will be issued.

COMMENCEMENT OF DEALINGS

Dealings in the H Shares on GEM are expected to commence at 9:30 a.m. on Friday, 28th June, 2002.

By order of the Board
Changchun Da Xing Pharmaceutical Company Limited
Feng Zhen Wen
Chairman

Hong Kong, 25th June, 2002

This announcement for which the Directors 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, 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; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

** For identification purposes only*