



香港藥業

HONG KONG PHARMACEUTICAL HOLDINGS LIMITED

香港藥業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 182)

ANNOUNCEMENT

Reference is made to the circular of the Company dated 13 July 2007 (the “Circular”). The Company would like to inform the Shareholders that no part of the First Tranche Convertible Note was converted on or before 31 August 2007.

Reference is made to the Circular of the Company, capitalised terms used in this announcement have the same meanings as those defined in the Circular of the Company unless otherwise stated.

The Company would like to inform the Shareholders that no part of the First Tranche Convertible Note was converted on or before 31 August 2007. As at 31 August 2007, the principal amount of the First Tranche Convertible Note remained at HK\$100,000,000. During the month, the Company has issued a total of 460,000,000 new Shares to Gain Alpha Finance Limited pursuant to the Subscription Agreement dated 30 July 2007, (“Subscription”) (as disclosed in the announcement of the Company dated 31 July 2007). As at 1 August 2007, the total number of issued Shares was 3,300,379,669 Shares. After the Subscription and as at 31 August 2007, the total number of issued Shares was 3,760,379,669 Shares.

As at the date of this announcement, the Board comprises six executive directors, namely, Mr. Ko Chun Shun, Johnson, Mr. Liu Shunxing, Mr. Tsoi Tong Hoo, Tony, Mr. Chan Kam Kwan, Jason, Mr. Wong Fan, Frank and Mr. Yeung Heung Yeung, one non-executive director, namely, Mr. Kelvin Edward Flynn and three independent non-executive directors, namely, Mr. Ho Tak Man, Billy, Mr. Yap Fat Suan and Dr. Wong Yau Kar, David.

By order of the Board

Jason Chan

Company Secretary

Hong Kong, 5 September 2007

* *for identification purposes only*