



DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED
東瑞製藥(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2348)

ANNOUNCEMENT

We have noted the increase in trading volume of the shares of the Company today and the Board would like to announce that it was informed by Ray Sheen, a substantial shareholder of the Company, which is wholly and beneficially owned by Mr. Zhang Jing Xing, an executive director of the Company, that it has today sold in the open market totally 77,100,000 shares of the Company equivalent to approximately 9.64% of the Company's issued share capital to independent third parties at the price between HKD0.51 and HKD0.52 per share. Following the Sale, Ray Sheen's interest in the Company was reduced from approximately 19.25% to 9.61%.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the increase in trading volume of the shares of the Company today and wish to state that save for the following reason, we are not aware of any reasons for such unusual movement.

The board of directors (the "Board") of Dawnrays Pharmaceutical (Holdings) Ltd. (the "Company") was informed by Ray Sheen Company Limited ("Ray Sheen"), a substantial shareholder of the Company, which is wholly and beneficially owned by Mr. Zhang Jing Xing, an executive director of the Company, that it has today sold in the open market totally 77,100,000 shares of the Company equivalent to approximately 9.64% of the Company's issued share capital to independent third parties at the price between HKD0.51 and HKD0.52 per share (the "Sale"). Following the Sale, Ray Sheen's interest in the Company was reduced from approximately 19.25% to 9.61%.

Save as the aforesaid, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by order of the Board the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Dawnrays Pharmaceutical (Holdings) Ltd.
Li Kei Ling
Chairman

Hong Kong, 26 September, 2005

As at the date of this announcement, the Board comprises eight directors, of which five are executive directors, namely Ms. Li Kei Ling, Mr. Hung Yung Lai, Mr. Zhang Jing Xing, Mr. Li Tung Ming and Mr. Xu Kehan; three are independent non-executive directors, namely Mr. Pan Xue Tian, Mr. Lee Cheuk Yin Dannis and Mr. Choi Tat Ying Jacky.