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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Lijun International Pharmaceutical (Holding) Co., Ltd. (the “Company”), you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.

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# 利君國際醫藥(控股)有限公司

Lijun International Pharmaceutical (Holding) Co., Ltd.

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

**(Stock Code: 2005)**

## PROPOSALS FOR RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

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The notice convening the annual general meeting (“AGM”) of the Company to be held at 10:00 a.m. on 27 May 2011 at Office 2809, 28th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 18 to 22 of this circular. A form of proxy for the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

8 April 2011

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on 27 May 2011 at Office 2809, 28th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
“AGM Notice”	the notice convening the AGM as set out on pages 18 to 22 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Lijun International Pharmaceutical (Holding) Co., Ltd. (利君國際醫藥(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	28 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Rejoy Group”	Rejoy Group Limited Liability Company (利君集團有限責任公司), a company established in the PRC with limited liability

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Xi’an Lijun”	Xi’an Lijun Pharmaceutical Co., Ltd (西安利君製藥有限責任公司), a company established in the PRC with limited liability and wholly owned by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

*For the purpose of this circular, certain English translations of Chinese names or words are included for information purpose only and should not be relied upon as the official translation of such Chinese names or words.*

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## LETTER FROM THE BOARD

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# 利君國際醫藥(控股)有限公司

## Lijun International Pharmaceutical (Holding) Co., Ltd.

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

**(Stock Code: 2005)**

*Executive Directors:*

Wu Qin (*Chairman*)  
Qu Jiguang  
Xie Yunfeng  
Huang Chao  
Sun Xinglai  
Wang Xianjun  
Duan Wei  
Zhang Guifu  
Bao Leyuan  
Gao Shuping

*Non-executive Director:*

Liu Zhiyong

*Independent Non-executive Directors:*

Wang Yibing  
Leung Chong Shun  
Chow Kwok Wai

*Registered Office:*

Cricket Square  
Hutchins Drive, P. O. Box 2681 GT  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Office 2809, 28th Floor  
Office Tower, Convention Plaza  
1 Harbour Road, Wanchai  
Hong Kong

8 April 2011

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSALS FOR RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; and (ii) the grant of general mandates to the Directors for the issue and the repurchase of the Shares up to 20% and 10% respectively of the aggregate nominal amount of the Company's issued share capital as at the date of passing of such resolutions, and the extension of the general mandate to the Directors to issue Shares to include the aggregate nominal amount of such Shares repurchased under the repurchase mandate.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consisted of 14 Directors, namely Mr. Wu Qin, Mr. Qu Jiguang, Mr. Xie Yunfeng, Mr. Huang Chao, Ms. Sun Xinglai, Mr. Wang Xianjun, Mr. Duan Wei, Ms. Zhang Guifu, Mr. Bao Leyuan, Ms. Gao Shuping, Mr. Liu Zhiyong, Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai.

Pursuant to Article 87 of the Articles of Association, Mr. Wu Qin, Mr. Xie Yunfeng, Mr. Huang Chao, Mr. Leung Chong Shun and Mr. Chow Kwok Wai will retire from their offices by rotation in the forthcoming AGM, and, being eligible, offer themselves for re-election at the AGM.

Biographical details of the Directors to be re-elected are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the Latest Practicable Date, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Company proposes to obtain shareholders' approval as ordinary resolutions at the AGM, to grant to the Directors a general mandate to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution as set out in Resolution 6A of the AGM Notice and a general mandate to repurchase Shares up to a maximum of 10% ("Repurchase Mandate") of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolutions as set out in Resolution 6B of the AGM Notice ("Issue Mandate"). Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and assuming no further Shares will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in the issue of up to a maximum of 489,772,897 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the resolution. In addition, the resolution authorising the extension of the Issue Mandate to the Directors to issue Shares to include the aggregate nominal amount of such Shares (if any) repurchased under the Repurchase Mandate (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution) as set out in Resolution 6C of the AGM Notice will be proposed at the AGM.

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## LETTER FROM THE BOARD

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With respect to the resolution regarding the Issue Mandate, the Directors wish to state that they have no immediate plans to issue and allot any new Shares. Approval is being sought from the Shareholders as a general mandate for the purposes of the Listing Rules.

With respect to the Repurchase Mandate Resolution, the Directors wish to state that they have no immediate plans to repurchase any existing Shares.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against Resolution 6B to be proposed at the AGM in relation to the proposed Repurchase Mandate is set out in Appendix II to this circular.

### AGM

The AGM Notice is set out on pages 18 to 22 of this circular. At the AGM, in addition to the ordinary business of the AGM, resolutions will be proposed to Shareholders to consider and, if thought fit, approve, among other things, the proposed re-election of Directors and the proposed Issue Mandate and the Repurchase Mandate.

In order to determine the list of shareholders who are entitled to attend the AGM and to receive the final dividend, the register of members of the Company will be closed from Tuesday, 24 May 2011 to Friday, 27 May 2011 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend and the entitlement to attend and vote at the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2011.

A form of proxy for the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM or any adjourned meeting thereof, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

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## LETTER FROM THE BOARD

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### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote at the AGM. The result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded or required and the poll results will be published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lijun.com.hk](http://www.lijun.com.hk)).

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other material facts not contained in this circular, the omission of which would make any statement in this circular misleading.

### RECOMMENDATION

The Directors consider that: (i) the proposed re-election of Directors; (ii) the proposed grant of general mandates to issue and repurchase Shares and the extension of the general mandate to issue Shares to include the aggregate nominal amount of such Shares repurchased under the Repurchase Mandate are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions set out in the AGM Notice.

Yours faithfully,

For and on behalf of the Board

**Lijun International Pharmaceutical (Holding) Co., Ltd.**

**Wu Qin**

*Chairman*



**LIST OF DIRECTORS FOR RE-ELECTION**

The biographical and other details of the Directors standing for re-election at the AGM are set out below.

**Mr. Wu Qin (吳秦)**, aged 58, an executive director and the chairman of the Company, is responsible for the strategic planning, business development and overall management of the Group. Mr. Wu has been the chairman of Rejoy Group Limited Liability Company (“Rejoy Group”) since October 1998. He has also been the chairman of Xi’an Lijun since November 1999. He is also a director of Prime United Industries Limited, a controlling shareholder of the Company. Mr. Wu was the general manager of Xi’an Lijun. Mr. Wu has over 30 years of experience in the pharmaceutical industry. He is particularly experienced in the business planning, marketing and enterprise management for pharmaceutical brands. In addition to setting up a number of unique management models, he has also achieved great success in establishing the “Lijunsha” brand, which is one of the prominent “Well-known Trademark in China” in the pharmaceutical industry in the PRC. Mr. Wu graduated from the Open University of Hong Kong with a degree of Master in Business Administration in 2002. He was a deputy to the 10th Standing Committee of the National People’s Congress, and was awarded the National Labour Model Award (全國勞動模範), National May First Labour Medal (全國五一勞動獎章), International Chinese Commercial Leaders Award (世界華商領袖功勳獎), Outstanding Chinese Entrepreneurs Award (中國傑出企業領袖) and 100 Most Innovative Chinese Characters Award (中國改革100新銳人物). He was also an executive director of Pharmaceutical Administration Association/China Pharmaceutical Association. He also enjoys special subsidy for the year 2002 granted by the State Council of the PRC. He is currently a vice president of Shaanxi Industrial and Economic Federation and Deputy Chairman of the Shaanxi Association of Commerce of the China International Association of Commerce. He is also a senior economist accredited by The Ministry of Personnel of China, the Deputy Chairman of Law and Social Order Committee of the Standing Committee of Shaanxi Province People’s Congress and member of Strategies & Advisory Committee of Shaanxi Province.

As at the Latest Practicable Date, Mr. Wu is, for the purposes of Part XV of the SFO, interested in 15,420,000 Shares, representing approximately 0.63% of the issued share capital of the Company. In addition, Prime United Industries Limited, one of the controlling shareholders of the Company, is held as to approximately 8.86% by Mr. Wu. He is also one of the directors of Prime United Industries Limited. Save as disclosed above, he did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. He entered into a service agreement with the Company for a term of three years commencing from 16 October 2008 and his current basic annual salary is HK\$3,000,000. His emoluments are determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities within the Group and his contribution to the Group. Mr. Wu has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Wu is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

**Mr. Xie Yunfeng (謝雲峰)**, aged 56, an executive Director and is responsible for finance and supplies of Xi'an Lijun. Mr. Xie has been a director and the deputy general manager of Xi'an Lijun since November 1999. He was a director of Rejoy Group from August 1999 to May 2004. Mr. Xie joined the Group since its establishment in November 1999 and has nearly 30 years of experience in pharmaceutical production. He is also a director of Prime United. Mr. Xie graduated from Party School of the CPC Central Committee majoring in law in 2001. Mr. Xie was awarded the Labour Model of Shaanxi Province and the second session of the honorary title of Outstanding Young Entrepreneurs of Xi'an City.

As at the Latest Practicable Date, Prime United Industries Limited, one of the controlling shareholders of the Company, is held as to approximately 4% by Mr. Xie. He is also one of the directors of Prime United Industries Limited. Save as disclosed above, he did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. He entered into a service agreement with the Company for a term of three years commencing from 16 October 2008 and his current basic annual salary is HK\$600,000. His emoluments are determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities within the Group and his contribution to the Group. Mr. Xie has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Xie is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

**Mr. Huang Chao (黃朝)**, aged 55, an executive Director and is responsible for daily administration and management of Xi'an Lijun. Mr. Huang has been a director of Xi'an Lijun since November 1999 and is currently the general manager of Xi'an Lijun. He had been the deputy chairman of Xi'an Lijun until December 2004 and was the deputy chairman of Rejoy Group from August 1999 to September 2005. Mr. Huang joined the Group since its establishment in November 1999 and has over 30 years of experience in pharmaceutical production. He is a director of Prime United. Mr. Huang graduated from The Open University of Hong Kong with a degree of Master in Business Administration in 2002, he is also a senior economist accredited by The Ministry of Personnel of China.

As at the Latest Practicable Date, Prime United Industries Limited, one of the controlling shareholders of the Company, is held as to approximately 2.41% by Mr. Huang. He is also one of the directors of Prime United Industries Limited. Save as disclosed above, he did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. He entered into a service agreement with the Company for a term of three years commencing from 16 October 2008 and his current basic annual salary is HK\$600,000. His emoluments are determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities within the Group and his contribution to the Group. Mr. Huang has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Huang is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

**Mr. Leung Chong Shun (梁創順)**, aged 45, an independent non-executive Director. He is also an independent non-executive director of China National Materials Company Limited (Stock code:1893), China Metal Recycling (Holdings) Limited (Stock code:773) and China Communications Construction Company Limited (Stock code: 1800), companies listed on the Stock Exchange. Mr. Leung graduated from the University of Hong Kong with a Bachelor of Laws degree in 1988 and obtained the Postgraduate Certificate in Laws in 1989. Mr. Leung was qualified as a solicitor in Hong Kong in 1991 and England & Wales in 1994. He has been a partner of Woo, Kwan, Lee & Lo, a law firm in Hong Kong, since 1997 and is experienced in corporate finance.

Save as disclosed above, Mr. Leung had no interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. He entered into an appointment agreement with the Company for a term of three years commencing from 16 October 2008 and the director's emoluments payable to him is HK\$180,000. His director's fee is determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities within the Group and his contribution to the Group. Save as disclosed above, Mr. Leung has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Leung is not aware of any matters that need to be brought to the attention of the holders of securities of the Company. The Company had received from Mr. Leung a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considered Mr. Leung to be independent.

**Mr. Chow Kwok Wai (周國偉)**, aged 44, was appointed as an independent non-executive Director of the Company on 16 October 2005. Mr. Chow has worked in Pricewaterhouse, which is now known as PricewaterhouseCoopers and accumulated valuable audit experience there. Mr. Chow received his Bachelor of Social Sciences Degree from the University of Hong Kong in 1990. Mr. Chow is a Fellow member of the Association of Chartered Certified Accountants, a Fellow CPA of the Hong Kong Institute of Certified Public Accountants and a Fellow member of the Taxation Institute of Hong Kong ("TIHK"). Mr. Chow is also a registered Certified Tax Adviser (註冊稅務師) of the TIHK effective from 7 September 2010. He has over 20 years' of experience in accounting, financial management and corporate finance. Mr. Chow is currently an executive director, a Deputy General Manager and the Qualified Accountant of Silver Grant International Industries Limited (Stock code: 171), a non-executive director of Cinda International Holdings Limited (Stock code: 111) and an independent non-executive director of Youyuan International Holdings Limited (Stock code: 2268), whose shares are listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Chow had no interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. He entered into an appointment agreement with the Company for a term of three years commencing from 16 October 2008 and the director's emoluments payable to him is HK\$180,000. His director's fee is determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities within the Group and his contribution to the Group. Save as disclosed above, Mr. Chow has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Chow is not aware of any matters that need to be brought to the attention of the holders of securities of the Company. The Company had received from Mr. Chow a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considered Mr. Chow to be independent.

There is not any matter regarding the directors to be re-elected that need to be brought to the attention of the Shareholders pursuant to Rule 13.51(2)(w) of the Listing Rules. For all of the above Directors, save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Repurchase Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$48,977,289.76 with 2,448,864,488 Shares in issue. Subject to the passing of the resolution granting the proposed mandate to repurchase its Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 244,886,448 Shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

**REASONS FOR REPURCHASES OF THE COMPANY**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to repurchase its Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

**FUNDING OF REPURCHASES**

Any repurchase of Shares of the Company made pursuant to the proposed Repurchase Mandate would be made out of funds which are legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. Under the law of the Cayman Islands, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, subject to the statutory test of solvency, out of capital. The premium, if any, payable on the repurchase, shall be provided for out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the statutory test of solvency, out of capital.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. The Directors anticipate that if the general mandate to repurchase Shares were to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital and gearing level of the Company (as compared with the position disclosed in the audited accounts of the Company for the year ended 31 December 2010). The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**SHARE PRICE**

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous 12 months prior to the Latest Practicable Date:

	Price Per Share	
	Highest (HK\$)	Lowest (HK\$)
<b>2010</b>		
April	2.99	1.78
May	3.03	2.15
June	3.30	2.41
July	2.91	2.15
August	2.59	2.29
September	3.16	2.36
October	3.08	2.63
November	2.83	2.55
December	2.58	2.12
<b>2011</b>		
January	2.84	2.01
February	2.20	1.91
March (up to the Latest Practicable Date)	2.09	1.76

**GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the AGM. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed Repurchase Mandate in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

No connected persons of the Company, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares held by them to the Company, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

**TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.



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**APPENDIX II****EXPLANATORY STATEMENT FOR GENERAL  
MANDATE TO REPURCHASE SHARES**

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As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following Shareholders are interested in 5% or more of the issued Shares as recorded in the register of interests and short positions of the Company under section 336 of the SFO:

<b>Shareholder</b>	<b>Number of Shares held</b>	<b>Approximate Percentage of Shareholding as at the Latest Practicable Date</b>	<b>Approximate percentage of shareholding if Repurchase Mandate is exercised in full</b>
Prime United Industries Limited (Note 1)	641,655,000	26.14%	29.04%
China Pharmaceutical Company Limited (Note 2)	571,500,000	23.28%	25.87%
Mr. Qu Jiguang (Note 2)	571,500,000	23.28%	25.87%
Value Partners Limited (Note 3)	188,015,000	7.66%	8.51%
Value Partners Group Limited (Note 3)	188,015,000	7.66%	8.51%
Cheah Capital Management Limited (Note 3)	188,015,000	7.66%	8.51%
Cheah Company Limited (Note 3)	188,015,000	7.66%	8.51%
Hang Seng Bank Trustee International Limited (Note 3)	188,015,000	7.66%	8.51%
Mr. Cheah Cheng Hye (Note 3)	188,015,000	7.66%	8.51%
Ms. To Hau Yin (Note 3)	188,015,000	7.66%	8.51%

The interest stated above represent long position.

*Notes:*

1. Prime United Industries Limited is held as to about 8.86% by Mr. Wu Qin, an executive Director, as to about 4% by Mr. Xie Yunfeng, an executive Director, as to about 2.41% by Mr. Huang Chao, an executive Director, as to about 84.73% by Mr. Wu Qin, Mr. Xie Yunfeng and Mr. Huang Chao who jointly hold such shares on trust for 3,100 individuals who are present and former employees or their respective estates of Xi'an Lijun and Rejoy Group. Mr. Wu Qin, Mr. Xie Yunfeng and Mr. Huang Chao, the executive Directors, are also directors of Prime United Industries Limited. Rejoy Group is a company established in the PRC with limited liability and 100% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Xian.
2. China Pharmaceutical Company Limited is held as to 72.93% by Mr. Qu Jiguang and as to 27.07% by 39 other shareholders. By virtue of Part XV of the SFO, Mr. Qu Jiguang is deemed to be interested in the Shares held by China Pharmaceutical Company Limited.
3. These shares are held by Hang Seng Bank Trustee International Limited in its capacity as the trustee of a family trust through Value Partners Limited, Value Partners Group Limited, Cheah Capital Management Limited and Cheah Company Limited. Mr. Cheah Cheng Hye is the founder of the family trust and Ms. To Hau Yin as the spouse of Mr. Cheah Cheng Hye is deemed to be interested in these shares.

In the event that the above Shareholders did not dispose of his/her/its Shares and if the Repurchase Mandate was exercised in full, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchases made under the Repurchase Mandate unless certain of the Controlling Shareholders are parties acting in concert with each other, in such case, a general offer obligation under the Takeovers Code will arise in the event that the total shareholding of the Controlling Shareholders reaches 30% or more of the issued share capital of the Company or in the event that the total shareholding of the Controlling Shareholders falls between 30% and 50% of the issued share capital of the Company, and the Controlling Shareholders acquires more than 2% of the total issued share capital of the Company within a 12 month period. However, the Directors have no present intention to exercise the mandate granted under the Repurchase Mandate to an extent as may result in any mandatory offer being made under the Takeovers Code or may result in less than 25% of the issued share capital of the Company being held by the public.

## SHARE PURCHASE MADE BY THE COMPANY

During the previous six months from the Latest Practicable Date, the Company repurchased a total of 6,040,000 Shares at an aggregate consideration of HK\$13,738,350 on the Stock Exchange. Details of the repurchases of such Shares are as follows:

Date of the purchases	Total number of the ordinary shares purchased	Highest price paid per share (HK\$)	Lower price paid per share (HK\$)	Aggregate consideration (HK\$)
28 December 2010	1,400,000	2.32	2.27	3,200,750
29 December 2010	1,000,000	2.33	2.29	2,301,850
30 December 2010	1,480,000	2.31	2.22	3,356,450
31 December 2010	<u>2,160,000</u>	2.28	2.23	<u>4,879,300</u>
	<u>6,040,000</u>			<u>13,738,350</u>

Save as disclosed herein, there was no repurchase by the Company, or any of its Subsidiaries, of any listed securities of the Company during the last six months.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 利君國際醫藥(控股)有限公司

## Lijun International Pharmaceutical (Holding) Co., Ltd.

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

**(Stock Code: 2005)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**Meeting**”) of Lijun International Pharmaceutical (Holding) Co., Ltd. (the “**Company**”) will be held at 10:00 a.m. on 27 May 2011 at Office 2809, 28th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2010.
2.
  - A. To re-elect Mr. Wu Qin as an executive director of the Company (the “**Director**”).
  - B. To re-elect Mr. Xie Yunfeng as an executive Director.
  - C. To re-elect Mr. Huang Chao as an executive Director.
  - D. To re-elect Mr. Leung Chong Shun as an independent non-executive Director.
  - E. To re-elect Mr. Chow Kwok Wai as an independent non-executive Director.
3. To authorise the board of Directors to fix the Directors’ remuneration.
4. To re-appoint PricewaterhouseCoopers as auditors and to authorise the board of Directors to fix their remuneration.
5. To approve a final dividend for the year ended 31 December 2010.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. As special business, to consider and if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of HK\$0.02 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares;
  - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company,

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## NOTICE OF ANNUAL GENERAL MEETING

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shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by way of ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

B. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent of the issued share capital of the Company at the date of the passing of this Resolution and the approval granted under paragraph (a) of this Resolution should be limited accordingly; and
  - (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
    - (iii) the date on which the authority set out in this Resolution is revoked or varied by way of ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT**, conditional upon the passing of the Resolutions 6A and 6B in the notice convening the Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional Shares of the Company pursuant to Resolution 6A as set out in the notice convening the Meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6B as set out in the notice convening the Meeting provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of Shares of the Company in issue at the date of the passing of this Resolution.”

By order of the Board  
**Sze Wing Kin, Pierre**  
*Company Secretary*

Hong Kong, 8 April 2011

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 24 May 2011 to Friday, 27 May 2011 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend and the entitlement to attend and vote at the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2011.
4. Where there are joint holders of any Share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. Please refer to Appendix I to the circular of the Company dated 8 April 2011 for the details of the retiring Directors subject to re-election at the Meeting.
6. An explanatory statement regarding the general mandate of the repurchase of Shares sought in the above Resolution 6B is set out in Appendix II to the circular of the Company dated 8 April 2011.
7. As at the date of this notice, the executive Directors are Mr. Wu Qin, Mr. Qu Jiguang, Mr. Xie Yunfeng, Mr. Huang Chao, Ms. Sun Xinglai, Mr. Wang Xianjun, Mr. Duan Wei, Ms. Zhang Guifu, Mr. Bao Leyuan, Ms. Gao Shuping, the non-executive Director is Mr. Liu Zhiyong, and the independent non-executive Directors are Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai.