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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)

STATUS OF SPECIFIC PERFORMANCE COVENANT UNDER LOAN AGREEMENT

This announcement is made by Lijun International Pharmaceutical (Holding) Co., Ltd. (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Pursuant to the a loan agreement for a 3 years term loan facility of US\$16,500,000 which was entered into between New Orient Investments Pharmaceutical Holding (Hong Kong) Limited (“New Orient”) (a wholly-owned subsidiary of the Company) as borrower and Hang Seng Bank Limited (“Hang Seng Bank”) as lender on 17 October 2012, which contains specific performance obligations imposed on the controlling shareholders of the Company. If there is non-compliance with the specific performance obligations, it will constitute an event of default under the loan agreement. At any time after the occurrence of an event of default which is continuing, Hang Seng Bank may declare (i) the facility terminated and (ii) all the indebtedness under the loan agreement become due and payable.

In reference to the announcement dated 4 June 2014, Mr. Wu Qin has resigned as an executive Director and chairman of the Board of the Company with effect from 4 June 2014, New Orient has failed to compile with the one of the specific performance obligations, and therefore has constituted an event of default under the loan agreement that Hang Seng Bank may declare (i) the facility terminated and (ii) all the indebtedness under the loan agreement become due and payable.

The New Orient has applied and has yet to obtain a waiver from the Hang Seng Bank for a waiver of the non-compliance. As at the date of this announcement, Hang Seng Bank has not declared the facility terminated or made any demand for immediate repayment of the loan. Based on communications with Hang Seng Bank so far, the Directors expected that New Orient could obtain the waiver from Hang Seng Bank.

Despite the above non-compliance, the Group has not experienced any difficulties in obtaining further financing with its banks for its working capital and therefore, having limited impact to the Company and the Group. Further announcement(s) regarding the loan and status of the waiver will be made as and when appropriate.

In accordance with the Rule 13.21 of Listing Rules, disclosure should have been included in the interim and annual reports of the Company for so long as the above specific performance obligations continue to exist. The Company has inadvertently omitted the disclosure and will make sure the disclosure required by the Listing Rules be included in the interim and annual reports of the Company thereafter for so long as the above specific performance obligations continue to exist.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

By Order of the Board
Chan Ka Kit
Company Secretary

Hong Kong, 6 June 2014

As at the date of this announcement, the Board comprises Mr. Qu Jiguang, Mr. Wang Xianjun and Mr. Duan Wei as executive Directors, and Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai as independent non-executive Directors.