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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)

GENERAL DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules with respect to the Loan Agreement, which contains specific performance obligations imposed on the controlling shareholders of the Company.

This announcement is made by Lijun International Pharmaceutical (Holding) Co., Ltd. (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) with respect to a loan agreement (the “**Loan Agreement**”) 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.

The Loan Agreement is for a term loan facility of US\$16,500,000, the final maturity date of which shall be the date falling three years from the drawdown date, and the drawdown date shall be within three months from the date of the Loan Agreement.

The Loan Agreement contains the following specific performance obligations imposed on the controlling shareholders of the Company: (1) Mr. Wu Qin, Mr. Qu Jiguang, Prime United Industries Limited (“**Prime United**”) and China Pharmaceutical Company Limited (“**CPCL**”) shall in aggregate, directly or indirectly, remain to be the largest shareholder of the Company; and (2) Mr. Wu Qin and Mr. Qu Jiguang shall remain as directors of the Company.

If there is non-compliance with the above 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.

As at the date of this announcement, Prime United and CPCL respectively own 26.28% and 23.41% of equity interest of the Company. Mr. Wu Qin holds 8.86% of beneficial interest of equity interest of Prime United; and holds jointly, with the executive Directors, namely Mr. Huang Chao and Mr. Xie Yunfeng an aggregate of 84.73% of equity interest of Prime United on trust for 3,085 individuals who are present and former employees or their respective estates of Xi'an Lijin and Rejoy Group Limited Liability Company (利君集團有限責任公司) (“**Rejoy Group**”). Mr. Wu Qin is also a director of Prime United. Rejoy Group is a company established in the PRC with limited liability and 100% owned by State-owned Asset Supervision and Administration Commission of the People's Government of Xian. Mr. Qu Jiguang holds 72.93% of beneficial interest of equity interest of CPCL and is a director of CPCL.

This announcement is made pursuant to Rule 13.18 of the Listing Rules. In accordance with the requirements thereunder, disclosure will be included in the interim and annual reports of the Company for so long as the above specific performance obligations continue to exist.

By order of the Board
Chow Hing Yeung
Company Secretary

Hong Kong, 17 October 2012

As at the date of this announcement, the Board comprises Mr. Wu Qin, Mr. Qu Jiguang, Mr. Huang Chao, Mr. Xie Yunfeng, Mr. Wang Xianjun, Mr. Duan Wei, Mr. Bao Leyuan, Ms. Gao Shuping as executive Directors, and Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai as independent non-executive Directors.