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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 DECLARATION OF FINAL DIVIDEND AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting (“AGM”) of the Company to be held at 2:00 p.m. on 25 May 2012 at Office 2809, 28th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 16 to 20 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.

3 April 2012

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DEFINITIONS

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 16 to 20 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”	26 March 2012, 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

DEFINITIONS

“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.

LETTER FROM THE BOARD



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

Wang Xianjun

Duan Wei

Zhang Guifu

Bao Leyuan

Gao Shuping

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

3 April 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
AND GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND DECLARATION OF FINAL DIVIDEND
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; (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; and (iii) the declaration of final dividend.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consisted of 12 Directors, namely Mr. Wu Qin, Mr. Qu Jiguang, Mr. Xie Yunfeng, Mr. Huang Chao, Mr. Wang Xianjun, Mr. Duan Wei, Ms. Zhang Guifu, Mr. Bao Leyuan, Ms. Gao Shuping, Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai.

Pursuant to Article 87 of the Articles of Association, Mr. Wang Xianjun, Mr. Duan Wei, Ms. Gao Shuping and Mr. Bao Leyuan 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 488,962,897 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.

LETTER FROM THE BOARD

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.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As stated in the announcement issued by the Company dated 23 March 2012 relating to the annual results of the Group for the year ended 31 December 2011, the Board recommended the payment of a final dividend of HK\$0.02 per share for the year ended 31 December 2011 (“Final Dividend”) to Shareholders whose names appear on the register of members of the Company on 30 May 2012. The proposed Final Dividend is subject to approval by the Shareholders at the annual general meeting and a resolution will be proposed to the Shareholders for voting at the annual general meeting. If the resolution for the proposed Final Dividend is passed at the Annual General Meeting, the proposed Final Dividend will be payable on 11 June 2012 to shareholders whose names appear on the register of members of the Company at the close of business on 30 May 2012.

The register of members of the Company will be closed from Wednesday, 23 May 2012 to Friday, 25 May 2012, both dates inclusive, during which period, no transfer of Shares will be registered. In order to qualify to attend and vote at the forthcoming annual general meeting, all properly completed transfer forms 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, Wanchai, Hong Kong by no later than 4:30 p.m., Tuesday, 22 May 2012.

In order to qualify for the proposed final dividend to be approved at the forthcoming annual general meeting, all properly completed transfer forms, 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, Wanchai, Hong Kong by no later than 4:30 p.m., Wednesday, 30 May 2012.

LETTER FROM THE BOARD

AGM

The AGM Notice is set out on pages 16 to 20 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.

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.

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) and the website of the Company (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.

LETTER FROM THE BOARD

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 and (iii) the declaration of the Final Dividend 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. Wang Xianjun (王憲軍), aged 49, an executive director. Mr. Wang has over 20 years' experience in the pharmaceutical industry and is responsible for investor relations and public relations affairs of the Group. Mr. Wang joined Shijiazhuang Pharmaceutical Group in 1987 and became the deputy chief engineer in 1989 and a director in 1993. Mr. Wang was the executive director and vice-chairman of China Pharmaceutical Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange, from May 1994 to December 2002. Mr. Wang was also an independent non-executive director of Greater China Holding Limited from July 2002 to August 2005, a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Wang graduated from Beijing Chemical Engineering College with a Master's degree in Engineering in 1987. He joined the Group in July 2004 and was the deputy general manager of Xi'an Lijun from July 2004 to December 2004. He was appointed as general manager of the Company in December 2004.

Save as disclosed above, Mr. Wang 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 25 September 2009 and the director's emoluments payable to him is HK\$1,500,000. 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. Wang 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. Wang is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

Mr. Duan Wei (段偉), aged 54, an executive Director and is responsible for sales and human resources functions of Shijiazhuang No. 4 Pharmaceutical Co., Ltd.. He joined No. 1 Pharma as a supervisor in March 1984 and was later promoted as the supervisor of Shijiazhuang Pharmaceutical Group. Mr. Duan has been an executive director and the vice general manager of Shijiazhuang No. 4 Pharma since March 1999 and he has also been an executive director of New Orient, CPCL and CMP. Mr. Duan graduated from Hebei Central Radio and TV University (河北廣播電視大學) and has ample experiences in sales management.

Save as disclosed above, Mr. Duan 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 26 July 2010 and the director's emoluments payable to him is HK\$600,000. 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. Duan 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. Duan is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

Ms. Gao Shuping (高淑平), aged 52, an executive Director and is currently a director of New Orient Investments Limited, a direct wholly-owned subsidiary of the Company and a director and vice general manager of Shijiazhuang No. 4 Pharmaceutical Co., Ltd., an indirect wholly-owned subsidiary of the Company. Ms. Gao is responsible for implementation of infrastructure projects and land and property management of the Company. Ms. Gao joined Shijiazhuang No. 4 Pharmaceutical Factory in August 1982 and has been the chief officer of technology department, assistant chief engineer and vice general manager. Ms. Gao has been the manager of quality department of Shijiazhuang Pharmaceutical Group Co., Ltd. from January 1998 to January 2002. Ms. Gao took up the post of vice general manager of Shijiazhuang No. 4 Pharmaceutical Co., Ltd. from January 2002 to December 2004. Afterwards, she served as a director and vice general manager of Shijiazhuang No. 4 Pharmaceutical Co., Ltd. from December 2004, and she was an executive Director of New Orient as well. Ms. Gao has been engaging in the quality management of pharmaceutical production and the technological transformation of pharmaceutical facilities for a long time, and has accumulated profound theoretical and practical experience. Ms. Gao graduated from Hebei Institute of Chemical Technology with a bachelor's degree majored in Chemical Technology. She is a senior engineer accredited by The Ministry of Personnel of the People's Republic of China.

Save as disclosed above, Ms. Gao had no interests in the securities of the Company within the meaning of Part XV of the SFO, nor did she have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date. She entered into an appointment agreement with the Company for a term of three years commencing from 29 July 2009 and the director's emoluments payable to her is HK\$500,000. Her director's fee is determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, her duties and responsibilities within the Group and her contribution to the Group. Save as disclosed above, Ms. Gao 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. Ms. Gao is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

Mr. Bao Leyuan (包樂源), aged 54, an executive Director and is currently a director of Xi'an Rejoy Group Co., Ltd., Xi'an Lijun Fangyuan Pharmaceutical Co., Ltd. and Shaanxi Lijun Modern Traditional Chinese Medicine Co., Ltd.. Mr. Bao joined Xi'an Lijun Pharmaceutical Co., Ltd., a subsidiary of the Company, as a vice chief accountant since 1999, responsible for the asset management functions of the Group. Mr. Bao has been the Chairman of the Supervisory Board of Rejoy Technology since November 2008. Mr. Bao graduated from Xi'an Radio and Television University in 1986. He is also an accountant in China and has ample experience in financial management.

Save as disclosed above, Mr. Bao 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 1 September 2011 and the director's emoluments payable to him is HK\$300,000. 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. Bao 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. Bao is not aware of any matters that need to be brought to the attention of the holders of securities of the Company.

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\$48,896,289.76 with 2,444,814,488 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 244,481,448 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 2011). 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\$)
2011		
April	2.28	1.93
May	2.01	1.66
June	1.77	1.33
July	1.64	1.38
August	1.36	1.01
September	1.15	0.74
October	1.03	0.66
November	1.08	0.83
December	0.92	0.80
2012		
January	1.01	0.90
February	1.16	0.96
March (up to the Latest Practicable Date)	1.63	1.08

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.

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:

Shareholder	Number of Shares held	Approximate Percentage of Shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Prime United Industries Limited (Note 1)	641,655,000	26.25%	29.16%
China Pharmaceutical Company Limited (Note 2)	571,500,000	23.38%	25.98%
Mr. Qu Jiguang (Note 2)	571,500,000	23.38%	25.98%

The interest stated above represent long position.

Notes:

- 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 3,085 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.
- 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.

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

There was no repurchase by the Company, or any of its Subsidiaries, of any listed securities of the Company during the last six months.

NOTICE OF ANNUAL GENERAL MEETING



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 2:00 p.m. on 25 May 2012 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 2011.
2.
 - A. To re-elect Mr. Wang Xianjun as an executive director of the Company (the “**Director**”).
 - B. To re-elect Mr. Duan Wei as an executive Director.
 - C. To re-elect Ms. Gao Shuping as an executive Director.
 - D. To re-elect Mr. Bao Leyuan as an 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 and declare a final dividend of HK\$0.02 per share for the year ended 31 December 2011 to the shareholders of the Company which shall be paid out of retained earnings and share premium of the Company.

NOTICE OF ANNUAL GENERAL MEETING

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,

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

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(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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- (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
Chow Hing Yeung
Company Secretary

Hong Kong, 3 April 2012

NOTICE OF ANNUAL GENERAL MEETING

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 Wednesday, 23 May 2012 to Friday, 25 May 2012, both dates inclusive, during which period, no transfer of Shares will be registered. In order to qualify to attend and vote at the forthcoming annual general meeting, all properly completed transfer forms 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, Wanchai, Hong Kong by no later than 4:30 p.m., Tuesday, 22 May 2012.

In order to qualify for the proposed final dividend to be approved at the forthcoming annual general meeting, all properly completed transfer forms, 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, Wanchai, Hong Kong by no later than 4:30 p.m., Wednesday, 30 May 2012.

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 3 April 2012 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 3 April 2012.
7. As at the date of this notice, the executive Directors are Mr. Wu Qin, Mr. Qu Jiguang, Mr. Xie Yunfeng, Mr. Huang Chao, Mr. Wang Xianjun, Mr. Duan Wei, Ms. Zhang Guifu, Mr. Bao Leyuan, Ms. Gao Shuping, and the independent non-executive Directors are Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai.