



# 利君國際醫藥(控股)有限公司

Lijun International Pharmaceutical (Holding) Co., Ltd.

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 2005)

## CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of Lijun International Pharmaceutical (Holding) Co., Ltd. (the "Company") dated 18 May 2007 (the "Announcement"). Terms used herein shall have the same meaning as those defined in the Announcement unless the contexts otherwise specify.

The Board of the Company would like to clarify that due to inadvertent errors, certain information as set out in the Announcement was mistakenly stated and the Board of the Company would like to clarify that:

- Based on an initial Conversion Price of HK\$4.15 and assuming full conversion of the Bonds at the initial Conversion Price with a fixed exchange rate of HK\$1 = RMB0.98339, the Bonds will be convertible into 39,205,419 Shares (subject to adjustment), representing approximately 13.50% of the issued share capital of the Company as at the date of the Announcement and approximately 11.89% of the enlarged issued share capital of the Company. In the Announcement, in the summary box and in the paragraph headed "Subscription Agreement", it was mistakenly stated that the Bonds will be convertible into 37,913,831 Shares representing approximately 13.05% of the issued share capital of the Company as at the date of the Announcement and approximately 11.54% of the enlarged issued share capital of the Company.
- The table summarizing the shareholding structure of the Company as at the date of the Announcement and as a result of conversion of the Bonds (assuming the total number of Shares in issue remain unchanged from the date of the Announcement) in the paragraph headed "Effect on the share capital of the Company as a result of conversion of Bonds" of the Announcement should read as follows:

Name of Shareholder	As at date of this announcement		Assuming the Bonds are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HK\$4.15 each at a fixed exchange rate of HK\$1 = RMB0.98339		Assuming the Bonds are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HK\$4.15 each at a fixed exchange rate of HK\$1 = RMB0.98339 and Assuming the Completion of SP Agreement	
	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of enlarged issued share capital of the Company	No. of Shares	Approximate % of enlarged issued share capital of the Company
<b>Controlling Shareholder and its concert parties:</b>						
Prime United Industries Limited (Notes 1)	123,984,000	42.68%	123,984,000	37.60%	123,984,000	28.19%
Success Manage International Limited (Notes 2)	22,344,000	7.69%	22,344,000	6.78%	22,344,000	5.08%
Fame World Investments Limited (Notes 3 & 4)	2,499,000	0.86%	2,499,000	0.76%	2,499,000	0.57%
Flying Success Investments Limited (Notes 3 & 5)	1,738,000	0.60%	1,738,000	0.53%	1,738,000	0.40%
Bondwide Trading Limited (Notes 3 & 6)	1,197,000	0.41%	1,197,000	0.36%	1,197,000	0.27%
<b>Sub-total</b>	<b>151,762,000</b>	<b>52.24%</b>	<b>151,762,000</b>	<b>46.03%</b>	<b>151,762,000</b>	<b>34.51%</b>
<b>Other Shareholders:</b>						
Grand Ocean Shipping Limited (Notes 7)	58,300,000	20.07%	58,300,000	17.68%	58,300,000	13.26%
CPCL (Note 8)	0.00	0.00%	0.00	0.00%	110,000,000	25.02%
<b>Public Shareholders</b>						
Bond Holder (Note 9)	0.00	0.00%	39,205,419	11.89%	39,205,419	8.92%
Others	80,438,000	27.69%	80,438,000	24.40%	80,438,000	18.29%
<b>Sub-total</b>	<b>138,738,000</b>	<b>47.76%</b>	<b>177,943,419</b>	<b>53.97%</b>	<b>287,943,419</b>	<b>65.49%</b>
<b>Total</b>	<b>290,500,000</b>	<b>100.00%</b>	<b>329,705,419</b>	<b>100.00%</b>	<b>439,705,419</b>	<b>100.00%</b>

**Notes:**

- Prime United Industries Limited is held as to about 2.43% by Mr. Wu Qin, an executive Director, as to about 2.43% by Mr. Wu Zhihong, an executive Director, as to about 2.41% by Mr. Huang Chao, an executive Director, as to about 4% by Mr. Xie Yunfeng, an executive Director, as to about 4% by Ms. Han Yumei, a member of the management of Xi'an Lijun Pharmaceutical Co., Ltd. (西安利君製藥有限責任公司) ("Xi'an Lijun") and as to about 84.73% by Mr. Wu Qin, Mr. Wu Zhihong, Mr. Huang Chao, Mr. Xie Yunfeng and Ms. Han Yumei who jointly hold such shares on trust for 4,965 individuals who are present and former employees or their respective estates of Xi'an Lijun and Rejoy Group Limited Liability Company (利君集團有限責任公司) ("Rejoy Group"). Mr. Wu Qin, Mr. Wu Zhihong, Mr. Huang Chao and Mr. Xie Yunfeng, the executive Directors, are also directors of the Prime United Industries Limited. Xi'an Lijun is a company established in the PRC with limited liability and wholly-owned by the Company. Rejoy Group is a company established in the PRC with limited liability and 100% owned by Shaanxi Pharmaceutical Company (陝西省醫藥總公司), a state-owned enterprise under the direct supervision of the Shaanxi Provincial Government.
- Success Manage International Limited is held as to about 37.88% by Mr. Wu Qin, an executive Director, as to about 10.03% by Mr. Wu Zhihong, an executive Director, as to about 10.03% by Mr. Huang Chao, an executive Director, as to about 3.06% by Mr. Xie Yunfeng, an executive Director, as to about 3.06% by Mr. Zhang Yabin, a member of the management of Xi'an Lijun and as to about 32.87% by Mr. Zhang Yabin on trust for 24 individuals, all of whom are part of the management of Xi'an Lijun.
- Prime United Industries Limited, Fame World Investments Limited, Flying Success Investments Limited and Bondwide Trading Limited were controlling shareholders of the Company as stated in the prospectus of the Company dated 2 December 2005.
- Fame World Investments Limited is owned as to 45% by Mr. Li Peirong, 30% by Mr. Li Pai and 25% by Newtronic Pharmaceuticals & Chemicals Limited ("Newtronic"), all of whom are beneficial shareholders of Xi'an Combel Pharmaceutical Co., Ltd. (西安康拜爾製藥有限公司) ("Xi'an Combel"). Newtronic is held as to 50% by Mr. Shing Ting Chun and 50% by Ms. Cheung Ming Man. Xi'an Combel is a company established in the PRC with limited liability and its entire registered capital is wholly-owned by the beneficial shareholders of Fame World Investments Limited.
- Flying Success Investments Limited is owned as to 80% by Mr. Zhao Lisheng and 20% by Ms. Chan Lok San, all of whom are beneficial owners of Shenzhen Jinhuo Enterprise Co., Ltd. (深圳市金活實業有限公司) ("Shenzhen Jinhuo"). Shenzhen Jinhuo is a company established in the PRC with limited liability and its entire registered capital is wholly-owned by the beneficial shareholders of Flying Success Investments Limited.
- Bondwide Trading Limited is owned as to 92.03% by Mr. Han Zhichao, 6.38% by Mr. Zhao Lisheng, and 1.59% by Ms. Chan Lok San, all of whom are beneficial shareholders of Liaoning Huabang Pharmaceutical Co., Ltd. (遼寧華邦醫藥有限公司) ("Liaoning Huabang") formerly known as Pharmaceutical Sales Department of Northeast Pharmaceutical Group Company (東北製藥集團公司醫藥經營部). Liaoning Huabang is a company established in the PRC with limited liability and its entire registered capital is wholly-owned by the beneficial shareholders of Bondwide Trading Limited.
- Grand Ocean Shipping Company Limited, a company incorporated in the Republic of Liberia on 1 November 1996 and engaged in the business of shipping, which in turn is owned as to 50% by Ms. Chen Lin-Dong and 50% by Mr. Xu Ming.
- Upon Completion of the SP Agreement, CPCL will be allotted 110,000,000 ordinary shares of the Company.
- If any of the Bondholders holds more than 10% of the Shares to be issued upon conversion of the Bonds, such Bondholder will not be considered as a public shareholder, but will be considered as a substantial shareholder.

As at the date of this announcement, the Board comprises Wu Qin, Wu Zhihong, Huang Chao, Xie Yunfeng, Sun Xinglai and Wang Xian Jun as executive Directors, Liu Zhiyong as non-executive Director and Qu Jiguang, Leung Chong Shun and Chow Kwok Wai as independent non-executive Directors.

By Order of the Board  
Lijun International Pharmaceutical (Holding) Co., Ltd.  
Wu Qin  
Chairman