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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)

ANNOUNCEMENT

ADJUSTMENT OF CONVERSION PRICE OF HK\$ SETTLED ZERO COUPON CONVERTIBLE BONDS DUE 2010

In accordance with the CB Terms and Conditions (as defined below), as a result of the declaration of the Interim Dividend (as defined below) by the Company, the Conversion Price will be adjusted from HK\$0.83 per Share to HK\$0.81 per Share with effect from 10 October 2009, being the day immediately after the record date in connection with such declaration.

INTRODUCTION

Reference is made to the announcements of Lijun International Pharmaceutical (Holding) Co., Ltd. (the “**Company**”) dated 17 May 2007, 21 May 2007, 15 August 2007, 29 August 2007, 26 September 2008 and 8 June 2009 in relation to the HK Dollar Settled Zero Coupon Convertible Bonds due 2010 of an aggregate principal amount of RMB160 million issued by the Company (the “**Convertible Bonds**”). Capitalised terms used herein have the same meaning as those defined in the Company’s announcement dated 17 May 2007, unless otherwise defined herein.

ADJUSTMENT OF THE CONVERSION PRICE RELATING TO THE CONVERTIBLE BONDS DUE TO CAPITAL DISTRIBUTION

The terms and conditions of the Convertible Bonds (the “**CB Terms and Conditions**”) provide, among other things, that if the Company pays or makes any Capital Distribution (as defined in the CB Terms and Conditions) to the shareholders of the Company (the “**Shareholders**”), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$(A - B) \div A$$

Where:

- A is the Current Market Price (as defined in the CB Terms and Conditions) of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value (as defined in the CB Terms and Conditions) on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date.

As announced in the Company’s announcement dated 24 April 2009, the board of directors of the Company (the “**Board**”) recommended to declare a final dividend of HK\$0.01 per Share on 24 April 2009 for the year ended 31 December 2008 (the “**Final Dividend**”). The Final Dividend was paid on 26 June 2009. Together with the interim dividend for the six months ended 30 June 2009 of HK\$0.02 per Share declared by the Board on 28 August 2009 (the “**Interim Dividend**”), the Total Current Dividend (as defined in the CB Terms and Conditions) per Share for the year ending 31 December 2009 amounts to HK\$0.03. Pursuant to the CB Terms and Conditions, the dividend falls within the definition of Capital Distribution and accordingly, the Conversion Price per Share will be adjusted from HK\$0.83 to HK\$0.81 effective from 10 October 2009, immediately after the record date in connection with the declaration of the Interim Dividend (the “**Adjustment**”). Apart from the Adjustment, there is no change in the terms of the Convertible Bonds.

As at the date of this announcement, the total number of issued Shares of the Company is 2,027,003,379 Shares, and there are outstanding Convertible Bonds in the principal amount of RMB90 million. Following the Adjustment, the maximum number of Conversion Shares to be issued by the Company upon full conversion of the Convertible Bonds at the adjusted Conversion Price of HK\$0.81 will be 112,987,839, representing approximately 5.57% of the issued share capital of the Company as at the date of this announcement.

Any Bondholder who is in doubt as to the action to be taken should consult its stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong, 28 August 2009

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