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## **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)**

### **PROPOSED BONUS ISSUE OF SHARES AND CHANGE IN BOARD LOT SIZE**

#### **PROPOSED BONUS ISSUE**

The Board is pleased to recommend the Bonus Issue, being a bonus issue of new Shares on the basis of one Bonus Share for every five existing Shares, to Shareholders whose names appear on the register of members of the Company on the Record Date for approval by the Shareholders at the EGM. An amount standing to the credit of the share premium account of the Company will be capitalised and applied in making payment in full, at par value, for the Bonus Shares. Upon issuance and crediting as fully paid, the Bonus Shares will rank *pari passu* in all respects with the then existing Shares.

To qualify for the Bonus Issue, any transfer of Shares must be lodged for registration by 4:30 p.m. on 25 September 2012. The register of members of the Company will be closed from 26 September 2012 to 28 September 2012, both days inclusive, during which period no transfers of Shares will be effected.

#### **CHANGE IN BOARD LOT SIZE**

Subject to the fulfillment of the conditions of the Bonus Issue, the Board also proposes to change the board lot size for trading in the Shares from 5,000 Shares to 2,000 Shares with effect from 9:00 a.m. on 17 October 2012.

## **GENERAL INFORMATION**

A circular containing, amongst other things, further information on the Bonus Issue, and, where applicable, explanation for the exclusion of Overseas Shareholders, together with the notice of the EGM, will be dispatched to the Shareholders as soon as practicable.

## **PROPOSED BONUS ISSUE**

The Board is pleased to recommend the Bonus Issue, being a bonus issue of new Shares on the basis of one Bonus Share for every five existing Shares, to Shareholders whose names appear on the register of members of the Company on the Record Date for approval by the Shareholders at the EGM. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount of approximately HK\$9,766,418 in the share premium account of the Company.

Assuming that no further Shares will be issued or repurchased before the Record Date, 488,320,897 Bonus Shares will be issued pursuant to the Bonus Issue. Upon issuance and crediting as fully paid, the Bonus Shares will *rank pari passu* in all respects with the then existing Shares. The Company will not allot any fractions of Bonus Shares.

## **Conditions of the Bonus Issue**

The Bonus Issue is conditional, among other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Issue; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Subject to fulfillment of the above conditions, certificates for the Bonus Shares are expected to be dispatched to the Shareholders by ordinary post at their own risk on or before 16 October 2012 and dealings in the Bonus Shares are expected to commence on 17 October 2012.

## **Reason for the Bonus Issue**

In recognition of the continual support of the Shareholders, the Board decides to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the Shareholder and capital base.

## **Closure of register of members**

The register of members of the Company will be closed from 26 September 2012 to 28 September 2012, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the branch share registrar of the Company in Hong Kong no later than 4:30 p.m. on 25 September 2012.

## **Overseas Shareholders**

The Directors will seek advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholders, if any.

Overseas Shareholders will not be allotted the Bonus Shares if the law of the jurisdiction at which their respective registered address is located prohibits the Company from allotting Bonus Shares to them, or requires the Company to comply with any requirements (such as the filing of any registration statement or prospectus or other special formalities) which the Directors consider to be impracticable. Instead, the Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the Bonus Shares commence and the net proceeds of sale will be paid to the Shareholders affected. Where, however, the amount of the net proceeds payable to any such Shareholder is less than HK\$100, the net proceeds will be paid to the Company instead for its own benefit and will not be paid to the Shareholder affected.

## **CHANGE OF BOARD LOT SIZE**

Subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” above, the Board proposes to change the board lot size for trading of the Shares from 5,000 Shares to 2,000 Shares with effect from 9:00 a.m. on 17 October 2012.

The Shares are currently traded in board lots of 5,000 Shares and the market value per board lot of the Shares is HK\$11,250 (based on the closing price of HK\$2.25 per Share as quoted on the Stock Exchange on the date of this announcement). Based on the closing price on the date of this announcement, the theoretical ex-entitlement price per Share after the Bonus Issue is approximately HK\$1.875. Based on the theoretical ex-entitlement price per Share after the Bonus Issue and the proposed board lot size of 2,000 Shares, the theoretical ex-entitlement value per new board lot will be approximately HK\$3,750.

The change in board lot size will reduce the board lot value. The Directors are of the view that the reduction in board lot size may improve the liquidity of the Shares and broaden the Company’s shareholder base. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Directors consider that this change in board lot size is in the interests of the Company and the Shareholders as a whole.

Subject to the Bonus Issue being effective, no odd board lot size of the Shares will be created as a result of the said change in board lot size (other than those already existed before such change becoming effective). No odd lot arrangement to match the sales and purchase of odd lots will be made.

The expected timetable for such change in board lot size is set out below:

**Expected timetable (all times refer to Hong Kong local time)**

	<b>Date</b>
Circular relating to proposed Bonus Issue to be dispatched . . . . . on or before	Friday, 31 August 2012
Latest time for lodging transfers forms of Shares to qualify . . . . . for attending and voting at the EGM	4:30 p.m. on Monday, 17 September 2012
Closure of the register of members for determining the . . . . . identity of shareholders who are entitled to attend and vote at the EGM	Tuesday, 18 September 2012 to Thursday, 20 September 2012 (both days inclusive)
Latest time for lodging forms of proxy for the EGM . . . . .	2:00 p.m. on Tuesday, 18 September 2012
EGM . . . . .	2:00 p.m. on Thursday, 20 September 2012
EGM results announcement . . . . .	Before 11:00 p.m. on Thursday, 20 September 2012
Last day for trading in Shares cum entitlements to the Bonus Issue . . . . .	Friday, 21 September 2012
First day of trading in Shares ex-entitlements to the Bonus Issue . . . . .	Monday, 24 September 2012
Latest time for lodging transfer forms of Shares to qualify . . . . . for entitlements to the Bonus Issue	4:30 p.m. on Tuesday, 25 September 2012
Closure of register of members for determining the identity . . . . . of shareholders who are entitled to the Bonus Issue	Wednesday, 26 September 2012 to Friday, 28 September 2012 (both days inclusive)

Record Date for determining the identity of shareholders who are entitled to the Bonus Issue	Friday, 28 September 2012
Free exchange of existing share certificates for new share certificates commences	Wednesday, 3 October 2012
Dispatch of certificates for the Bonus Shares	Tuesday, 16 October 2012
Last day for trading of Shares with existing board lot size of 5,000 Shares in the original counter	Tuesday, 16 October 2012
First day of dealings in the Bonus Shares on the Stock Exchange	Wednesday, 17 October 2012
Effective date of new board lot size of 2,000 Shares	Wednesday, 17 October 2012
Original counter for trading in existing board lot size of 5,000 Shares becomes a counter for trading in new board lot size of 2,000 Shares	9:00 a.m. on Wednesday 17 October 2012
Temporary counter for trading in old board lot size of 5,000 Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 17 October 2012
First day of parallel trading	9:00 a.m. on Wednesday, 17 October 2012
Temporary counter for trading old board lot closes	4:00 p.m. on Wednesday, 7 November 2012
Parallel trading (in the form of new and existing share certificates) ends	4:00 p.m. on Wednesday, 7 November 2012
Free exchange of existing share certificates for new share certificates ends	Friday, 9 November 2012

The expected timetable may be subject to change by the Company and is subject to fulfillment of all conditions. The Company will make further announcements in compliance with the Listing Rules as appropriate if such changes are made.

## GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

A circular containing, amongst other things, further information on the Bonus Issue, and, where applicable, explanation for the exclusion of Overseas Shareholders, together with a notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Board”	the board of Directors
“Bonus Issue”	the proposed issue of one Bonus Share for every five existing Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of Bonus Issue by the Company as described herein
“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 and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve, amongst other things, the Bonus Issue
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Record Date”	28 September 2012, being the date for determining the entitlement to the Bonus Issue

“Share(s)”	existing ordinary share(s) of par value of HK\$0.02 each in the share capital of the Company
“Shareholders”	registered holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Chow Hing Yeung**  
*Company Secretary*

Hong Kong, 21 August 2012

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