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山東羅欣藥業集團股份有限公司

SHANDONG LUOXIN PHARMACEUTICAL GROUP STOCK CO., LTD.*

(a joint stock limited company established in the People's Republic of China with limited liability)

(Stock Code: 8058)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of members of Shandong Luoxin Pharmaceutical Group Stock Co., Ltd.* (the “**Company**”) will be held at Conference Room, Level 3, Administrative Centre, Luoqi Road, Linyi High and New Technology Industries Development Zone, Shandong Province, the People's Republic of China (the“**PRC**”) on 29 May 2017 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following ordinary resolutions of the Company:

AS ORDINARY RESOLUTIONS

1. to consider and approve the audited financial statements of the Company and the reports of the board (the “**Board**”) of directors (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2016;
2. to consider and approve the report of the supervisors of the Company for the year ended 31 December 2016;
3. to consider and approve the Board to fix the remunerations of the Directors and supervisors of the Company;
4. to consider and approve the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the Board to fix their remuneration;
5. to re-elect Mr. Fu Hongzheng (付宏征) as an independent non-executive Director; and
6. to re-elect Mr. Foo Tin Chung, Victor (傅天忠) as an independent non-executive Director.

* *For identification purpose only*

Details of the independent non-executive Directors to be re-elected

Mr. Foo Tin Chung, Victor (傅天忠)

Mr. Foo Tin Chung Victor (傅天忠), aged 48, was appointed as an independent non-executive Director in April 2005 and has carried on this role after the Company's listing on the Growth Enterprise Market ("GEM") of the Stock Exchange since December 2005. Mr. Foo obtained a bachelor of commerce in accounting and information system from the University of New South Wales in Australia in April 1994 and a MBA from the Australian Graduate School of Management in July 2007. He has been a member of the Australia Society of Certified Practising Accountants since January 1998 and an associate member of the Hong Kong Institute of Certified Public Accountants since July 1999. Mr. Foo has been the company secretary of China Grand Pharmaceutical and Healthcare Holdings Limited (stock code: 512) since 2011, and the company secretary of Huisheng International Holdings Limited (stock code: 1340) since 2013. Mr. Foo was an executive director of Jinheng Automotive Safety Technology Holdings Limited (stock code: 872) but resigned in September 2014. Mr. Foo was a non-executive director of Sino Haijing Holdings Limited (stock code: 1106) from April 2015 to July 2016. Mr. Foo was a non-executive director of Ngai Shun Holdings Limited (stock code: 1246) from March 2015 to July 2015. Shares of all these companies are listed on the Stock Exchange.

Mr. Foo has served as the independent non-executive Director of the Company since its listing on the GEM in December 2005. Under the code provision A.4.3 of the Corporate Governance Code and Corporate Governance Report ("**Corporate Governance Code**"), serving more than nine years could be relevant to the determination of a non-executive Director's independence and that any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by shareholders. Mr. Foo has provided his annual confirmation of independence to the Company pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("**GEM Listing Rules**"). Mr. Foo continues to demonstrate the attributes of an independent non-executive Director and there is no evidence that his tenure has had any impact on his independence. The Board considers that Mr. Foo Tin Chung, Victor continues to be independent and should be re-elected as he has met all the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules. The Board believes that he will continue to bring independent and objective perspectives to the Company's affairs free of any relationship which could materially interfere with the exercise of his independent judgment.

Mr. Foo has entered into a service agreement with the Company for a term of three years commenced on 1 July 2016, subject to the retirement and re-election requirements of the articles of association of the Company ("**Articles of Association**"). His emoluments, which are determined on the basis of prevailing market conditions and his roles and responsibilities, including social security funds, are HK\$144,000 per annum. Mr. Foo does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As of the date of this announcement, Mr. Foo does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571) ("**SFO**").

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (w) of the GEM Listing Rules and there is no other matter in respect of the re-election of Mr. Foo that needs to be brought to the attention of the shareholders.

Accordingly, ordinary resolution will be proposed at the Meeting to re-elect Mr. Foo Tin Chung Victor as independent non-executive Director and he will continue to serve as an independent non-executive Director of the Company under the service agreement with the Company for a term of three years commenced on 1 July 2016.

Mr. Fu Hongzheng (付宏征)

Mr. Fu Hongzheng (付宏征), aged 53, was appointed as an independent non-executive Director in June 2001 and has carried on this role after the Company's listing on GEM since December 2005. Mr. Fu graduated from Pharmacy School of Yanbian University (延邊大學藥學院) in 1985 with a bachelor's degree and obtained his master's degree from Shenyang Medical University (瀋陽醫科大學) in 1991. Mr. Fu has been an independent non-executive director of Beijing Saikai Pharmaceutical Co., Ltd (北京賽開藥業股份有限公司) since 2015.

Mr. Fu has served as the independent non-executive Director of the Company since its listing on the GEM in December 2005. Under the code provision A.4.3 of the Corporate Governance Code, serving more than nine years could be relevant to the determination of a non-executive Director's independence and that any further appointment of such independent non-executive Director should be subject to a separate resolution to be approved by shareholders. Mr. Fu has provided his annual confirmation of independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules. Mr. Fu continues to demonstrate the attributes of an independent non-executive Director and there is no evidence that his tenure has had any impact on his independence. The Board considers that Mr. Fu Hongzheng continues to be independent and should be re-elected as he has met all the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules. The Board believes that he will continue to bring independent and objective perspectives to the Company's affairs free of any relationship which could materially interfere with the exercise of his independent judgment.

Mr. Fu has entered into a service agreement with the Company for a term of three years commenced on 1 July 2016, subject to the retirement and re-election requirements of the articles of association. His emoluments, which are determined on the basis of prevailing market conditions and his roles and responsibilities, including social security funds, are RMB24,000 per annum. Mr. Fu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As of the date of this announcement, Mr. Fu does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h) to (w) of the GEM Listing Rules and there is no other matter in respect of the re-election of Mr. Fu that needs to be brought to the attention of the shareholders.

Accordingly, ordinary resolution will be proposed at the Meeting to re-elect Mr. Fu Hongzheng as independent non-executive Director and he will continue to serve as an independent non-executive Director of the Company under the service agreement with the Company for a term of three years commenced on 1 July 2016.

Subject to the shareholders' approval of the proposed re-election of Mr. Foo Tin Chung, Victor (傅天忠) and Mr. Fu Hongzheng (付宏征), the Board will comprise of 10 Directors, of which Mr. Liu Baoqi (劉保起), Ms. Li Minghua (李明華), Mr. Han Fengsheng (韓風生), Mr. Chen Yu (陳雨) and Mr. Liu Zhenteng (劉振騰) are executive Directors; Mr. Liu Zhenhai (劉振海) is a non-executive Director; Mr. Foo Tin Chung, Victor (傅天忠), Mr. Fu Hongzheng (付宏征), Prof. Du Guanhua (杜冠華) and Ms. Huang Huiwen (黃慧文) are independent non-executive Directors.

By order of the Board
Shandong Luoxin Pharmaceutical Group Stock Co., Ltd*
Liu Baoqi
Chairman

10 April 2017, PRC

* *For identification purposes only*

Registered Office:

Luoqi Road
Linyi High and New Technology
Industries Development Zone
Shandong Province, the PRC

Principal place of business in Hong Kong:

Room 1110, 11/F, Tower B, Southmark
11 Yip Hing Street
Wong Chuk Hang
Hong Kong

Notes:

1. Any shareholder who is entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote at the Meeting on his or her behalf. A proxy needs not be a member of the Company. A form of proxy for use at the Meeting is enclosed herewith. In the case of joint holders of a share, any one of such joint holders may sign the form of proxy. If more than one of such joint holders attend the Meeting either in person or by proxy, the vote of the joint holder whose name appears first in the register of members of the Company shall be accepted to the exclusion of the other joint holder(s).
2. In order to be valid, the **proxy form** and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at, in the case of a holder of H shares of the Company (the "**H Shares**"), the registrar of H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in the case of a holder of domestic shares of the Company (the "**Domestic Shares**"), the Company's registered office at Luoqi Road, Linyi High and New Technology Industries Development Zone, Shandong Province, the PRC not less than 24 hours before the time for holding the Meeting.

3. The register of members of H Shares will be closed from Saturday, 29 April 2017 to Monday, 29 May 2017 (both days inclusive). All properly completed H Shares transfer forms accompanied by the relevant share certificate must be lodged with the registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 28 April 2017, for registration.
4. Holders of Domestic Shares and H Shares whose names appear in the register of members at the close of business on Friday, 28 April 2017 are entitled to attend and vote at the Meeting.
5. Holders of Domestic Shares who intend to attend the Meeting shall complete and deposit by post or fax (fax no.: (86) 539 824 1226) the enclosed reply slip to the Company’s registered office at Luoqi Road, Linyi High and New Technology Industries Development Zone, Shandong Province, the PRC on or before Tuesday, 9 May 2017.
6. Holders of H Shares who intend to attend the Meeting shall complete and deposit by post or fax (fax no. (852) 2865 0990) the enclosed reply slip to the Company’s registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, on or before Tuesday, 9 May 2017.
7. Holders of Domestic Shares and H Shares or their proxies shall produce their identity documents when attending the Meeting.
8. Shareholders of the Company and proxies attending the Meeting shall be responsible for their own transportation and accommodation expenses.

As at the date of this announcement, the Board comprises 10 Directors, of which Mr. Liu Baoqi (劉保起), Ms. Li Minghua (李明華), Mr. Han Fengsheng (韓風生), Mr. Chen Yu (陳雨) and Mr. Liu Zhenteng (劉振騰) are executive Directors; Mr. Liu Zhenhai (劉振海) is a non-executive Director; Mr. Foo Tin Chung, Victor (傅天忠), Mr. Fu Hongzheng (付宏征), Prof. Du Guanhua (杜冠華) and Ms. Huang Huiwen (黃慧文) are independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from its date of publication and on the Company’s designated website at: <http://shandongluoxin.quamir.com>.