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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)



GL Capital Group
德福資本

**GL INSTRUMENT
INVESTMENT L.P.**

*(a limited partnership registered in
Canada)*

**GIANT STAR GLOBAL
(HK) LIMITED**

*(a company incorporated in Hong Kong
with limited liability)*



**ALLY BRIDGE FLAGSHIP
LX (HK) LIMITED**

*(a company incorporated in Hong Kong
with limited liability)*

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL OFFER BY SOMERLEY CAPITAL LIMITED
ON BEHALF OF GIANT STAR GLOBAL (HK) LIMITED
(TO BE CO-INVESTED BY ENTITIES CONTROLLED BY MR. LIU ZHENTENG AND
GL CAPITAL RESPECTIVELY)
AND ALLY BRIDGE FLAGSHIP**

**FOR ALL THE ISSUED H SHARES IN
SHANDONG LUOXIN PHARMACEUTICAL GROUP STOCK CO., LTD.
(OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED
TO BE ACQUIRED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM WHO HAVE UNDERTAKEN
NOT TO ACCEPT THE OFFER)**

**PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF
SHANDONG LUOXIN PHARMACEUTICAL GROUP STOCK CO., LTD.
POLL RESULTS OF THE EGM AND THE H SHARE CLASS MEETING
THE OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS**

Financial Adviser to the Joint Offerors



SOMERLEY CAPITAL LIMITED

Independent Financial Adviser to the
Independent Committee



凱基金融亞洲
KGI CAPITAL ASIA

中華開發金控
CHINA DEVELOPMENT FINANCIAL

Financier to Ally Bridge Flagship



新鴻基金融集團
SUN HUNG KAI FINANCIAL

* For identification purpose only

POLL RESULTS OF THE EGM AND THE H SHARE CLASS MEETING

The Joint Offerors, GL Instrument and the Company are pleased to announce that the resolution set out in the Notice of EGM has been duly passed at the EGM, and the resolution set out in the Notice of H Share Class Meeting has been duly passed at the H Share Class Meeting, by way of poll held on 29 May 2017.

OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

As all of the conditions of the Offer have now been fulfilled or waived, the Offer has become unconditional in all respects on 29 May 2017.

H Shareholders are advised that unless the Offer is extended, the latest time and date for acceptance of the Offer will be 4:00 p.m. on Monday, 26 June 2017. If the Offer is extended, further announcement will be made to that effect.

WITHDRAWAL OF LISTING AND LAST DAY OF TRADING

H Shareholders should also note that the expected last day of dealing in the H Shares on the Stock Exchange will be Monday, 5 June 2017, and dealing in the H Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on Tuesday, 6 June 2017 up to the withdrawal of listing of the H Shares from the Stock Exchange at 9:00 a.m. on Friday, 16 June 2017.

References are made to (1) the composite offer and response document (the “**Composite Document**”) dated 11 April 2017 in relation to, among others, the voluntary conditional offer by Somerley Capital on behalf of the Joint Offerors for all the issued H Shares (other than those already owned, controlled or agreed to be acquired by the Joint Offerors and parties acting in concert with any of them who have undertaken not to accept the Offer); (2) the Company’s notice of the EGM dated 11 April 2017 (the “**Notice of EGM**”); (3) the Company’s notice of the H Share Class Meeting dated 11 April 2017 (the “**Notice of H Share Class Meeting**”); (4) the announcement jointly issued by the Joint Offerors, GL Instrument and the Company dated 18 April 2017 in respect of the grant of waivers by the SFC; and (5) the announcement jointly issued by the Joint Offerors, GL Instrument and the Company dated 21 April 2017 in respect of the irrevocable undertaking entered into by an Independent H Shareholder (the “**H Share Irrevocable Undertaking**”). Unless otherwise defined herein, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Composite Document.

Unless otherwise indicated, all references to time contained in this joint announcement refer to Hong Kong time.

INTRODUCTION

The Joint Offerors, GL Instrument and the Company are pleased to announce that the resolution set out in the Notice of EGM has been duly passed at the EGM, and the resolution set out in the Notice of H Share Class Meeting has been duly passed at the H Share Class Meeting, by way of poll held on 29 May 2017.

The EGM and the H Share Class Meeting were held on Monday, 29 May 2017 at the Conference Room, Level 3, Administrative Centre, Luoqi Road, Linyi High and New Technology Industries Development Zone, Shandong Province, the PRC, commencing from 10:30 a.m. in succession.

In accordance with the GEM Listing Rules, the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, has acted as the scrutineer for the vote-taking at the EGM and the H Share Class Meeting. In accordance with the Company's articles of association, for the purpose of calculating the voting results of the resolutions, only the votes "For" and "Against" were counted, and any "Abstain" vote was not counted as shares carrying voting right.

THE POLL RESULTS OF THE EGM

The poll results of the EGM are as follows:

As special resolution		Number of votes (%)		
		For	Against	Abstain
1.	To consider and, if thought fit, to approve: "That: (a) the proposed withdrawal of listing of the H shares of the Company from The Stock Exchange of Hong Kong Limited; and (b) any director of the Company be and is hereby authorised to take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the proposed withdrawal."	152,727,363 (99.47%) (Note 1)	814,000 (0.53%) (Note 1)	0

Notes:

1. Based on the total number of votes attaching to the Shares held by the Independent Shareholders cast in person or by proxy at the EGM.

As at the date of the EGM, the total number of Shares in issue was 609,600,000, comprising 445,040,000 Domestic Shares and 164,560,000 H Shares.

The number of Shares entitling the holders to attend the EGM and to vote for or against the above resolution at the EGM was 229,930,225 (being the number of Shares held by the Independent Shareholders), and the number of Shares entitling the holders to vote against the resolution only was nil. The Joint Offerors and the parties acting in concert with any of them were required to, and did, abstain from voting at the EGM in accordance with the Takeovers Code. There were no other restrictions imposed on any Shareholders to cast votes on the aforesaid resolution passed at the EGM.

The Independent Shareholders and authorized proxies holding an aggregate of 153,541,363 Shares, representing approximately 66.78% of the total number of the votes attaching to all the Shares held by the Independent Shareholders were present at the EGM. Independent Shareholders holding 814,000 Shares (representing approximately 0.35% of the votes attaching to all the Shares held by all the Independent Shareholders) voted against the resolution.

As more than 75% of the votes attaching to the Shares held by the Independent Shareholders present in person or by proxy were cast in favor of the resolution at the EGM, and the number of votes cast against the resolution at the EGM were not more than 10% of the votes attaching to all the Shares held by the Independent Shareholders, the special resolution has been passed by way of poll at the EGM in accordance with the requirements of Rule 9.20 of the GEM Listing Rules and Rule 2.2 of the Takeovers Code for the Delisting.

THE POLL RESULTS OF THE H SHARE CLASS MEETING

The poll results of the H Share Class Meeting are as follows:

As special resolution		Number of votes (%)		
		For	Against	Abstain
1.	To consider and, if thought fit, to approve: “That: (a) the proposed withdrawal of listing of the H shares of the Company from The Stock Exchange of Hong Kong Limited; and (b) any director of the Company be and is hereby authorised to take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the proposed withdrawal.”	47,234,138 (98.31%) (Note 1)	814,000 (1.69%) (Note 1)	0

Notes:

- Based on the total number of votes attaching to the H Shares held by the Independent H Shareholders cast in person or by proxy at the H Share Class Meeting.

The number of shares entitling the holders to attend and to vote for or against the above resolution at the H Share Class Meeting was 132,486,000 (being the number of the H Shares held by the Independent H Shareholders), and the number of shares entitling the holders to vote against the resolution only was nil. The Joint Offerors and the parties acting in concert with any of them were required to, and did, abstain from voting at the H Share Class Meeting in accordance with the Takeovers Code. There were no other restrictions imposed on any H Shareholders to cast votes on the aforesaid resolution passed at the H Share Class Meeting.

The Independent H Shareholders and authorized proxies holding an aggregate of 48,048,138 H Shares, representing approximately 36.27% of the total number of the votes attaching to all the H Shares held by the Independent H Shareholders were present at the H Share Class Meeting. Independent H Shareholders holding 814,000 H Shares (representing approximately 0.61% of the votes attaching to all the H Shares held by all the Independent H Shareholders) voted against the resolution.

As more than 75% of the votes attaching to the H Shares held by the Independent H Shareholders present in person or by proxy were cast in favor of the resolution at the H Share Class Meeting, and the number of votes cast against the resolution at the H Share Class Meeting were not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the special resolution has been passed by way of poll at the H Share Class Meeting in accordance with the requirements of Rule 9.20 of the GEM Listing Rules and Rule 2.2 of the Takeovers Code for the Delisting.

OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

As all of the conditions of the Offer have now been fulfilled or waived, the Offer has become unconditional in all respects on 29 May 2017.

INTERESTS OF THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH THEM IN THE SHARES

Immediately before the commencement of the Offer Period, the Joint Offerors and their concert parties are interested in 379,669,775 Shares, comprising 347,595,775 Domestic Shares and 32,074,000 H Shares, representing in aggregate approximately 62.28% of the total issued Shares (or approximately 78.10% of the total issued Domestic Shares and approximately 19.49% of the total issued H Shares).

As at 4:30 p.m. on Monday, 29 May 2017, valid acceptances under the Offer (including acceptance in respect of 2,080,000 H Shares held by parties acting in concert with the Joint Offerors) had been received in respect of 110,685,316 H Shares (representing approximately 67.26% of the total issued H Shares), which results in the Joint Offerors and their concert parties interesting in 140,679,316 H Shares and 488,275,091 Shares, representing in aggregate approximately 85.49% of the total issued H Shares and approximately 80.10% of the total issued Shares.

Save as disclosed above, none of the Joint Offerors and parties acting in concert with them (i) held, controlled or directed any Shares or rights over the Shares prior to the commencement of the Offer Period, (ii) had acquired or agreed to acquire any Shares or rights over the Shares during the Offer Period up to the date of this joint announcement, or (iii) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to the date of this joint announcement.

THE OFFER REMAINS OPEN FOR ACCEPTANCE

H Shareholders should note that unless the Offer is extended, the latest time and date for acceptance of the Offer will be 4:00 p.m. on Monday, 26 June 2017. If the Offer is extended, further announcement will be made to that effect.

H Shareholders should refer to the Composite Document and the Form of Acceptance for details of the acceptance procedures if they wish to accept the Offer.

SETTLEMENT OF THE OFFER

Settlement of the consideration payable in respect of valid acceptances of the Offer (after deducting the seller's ad valorem stamp duty arising therefrom and, if applicable, the fees payable to the Registrar in respect of lost or unavailable H Share certificates) received before 4:30 p.m. on Monday, 29 May 2017 will be posted to the Accepting Shareholders by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days from the date of this joint announcement.

For H Shareholders who accept the Offer after the date of this joint announcement and before the Offer is closed, settlement of the consideration payable in respect of valid acceptances of the Offer (after deducting the seller's ad valorem stamp duty arising therefrom and, if applicable, the fees payable to the Registrar in respect of lost or unavailable H Share certificates) will be posted to the Accepting Shareholders by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days from the date of receipt of a fully completed Form of Acceptance by the Registrar in respect of the Offer.

WITHDRAWAL OF LISTING AND LAST DAY OF TRADING

H Shareholders should also note that the expected last day of dealing in the H Shares on the Stock Exchange will be Monday, 5 June 2017, and dealing in the H Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on Tuesday, 6 June 2017 up to the withdrawal of listing of the H Shares from the Stock Exchange at 9:00 a.m. on Friday, 16 June 2017.

NO RIGHT OF COMPULSORY ACQUISITION

The Joint Offerors have no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Offer. Accordingly, the H Shareholders are reminded that if they do not accept the Offer and the Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the GEM Listing Rules and may or may not continue to be subject to the Takeovers Code after completion of the Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

By order of the board of directors of
Giant Star Global (HK) Limited
Liu Zhenteng
Director

By order of the Board of
**Shandong Luoxin Pharmaceutical
Group Stock Co., Ltd.***
Han Fengsheng
Executive Director

By order of the board of directors of
Ally Bridge Flagship LX (HK) Limited
Pang Andrew Chee On
Director

By order of the board of directors of
GL Capital Management GP II B.C. 4 Ltd.
as the general partner of
GL Instrument Investment L.P.
Li Zhenfu
Director

The PRC, 29 May 2017

As at the date of this joint announcement, the sole director of Giant Star HK is Mr. Liu Zhenteng.

The sole director of Giant Star HK accepts full responsibility for the accuracy of the information (other than that relating to the Group, GL Capital, and Ally Bridge Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than that expressed by the Directors, or the directors or general partners of GL Capital or Ally Bridge Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the general partner of GL Instrument Investment L.P. is GL Capital Management GP II B.C. 4 Ltd. and the sole director of GL Capital Management GP II B.C. 4 Ltd. is Mr. Li Zhenfu.

The sole director of GL Capital Management GP II B.C. 4 Ltd. accepts full responsibility for the accuracy of the information in connection with GL Capital contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement by the director or general partner

of GL Capital have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of Ally Bridge Flagship is Mr. Pang Andrew Chee On.

The sole director of Ally Bridge Flagship accepts full responsibility for the accuracy of the information in connection with Ally Bridge Group contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement by the directors or general partners of Ally Bridge Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint 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; and 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information in connection with the Group contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the Growth Enterprise Market 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>.

** for identification purposes only*