



SHANDONG LUOXIN PHARMACY STOCK COMPANY LIMITED*

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

(Stock Code 8058)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2008

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This announcement, for which the directors (the “Directors”) of Shandong Luoxin Pharmacy Stock Co., Ltd. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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, (1) the information contained in this announcement is accurate and complete in all material respects and is not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* For identification purposes only

SUMMARY

- The Company's sales for the three months ended 31 March 2008 was RMB142,730,000, representing an increase of 39.7% when compared with that of the corresponding period of last year.
- The Company's profit attributable to shareholders for the three months ended 31 March 2008 was RMB40,150,000, representing an increase of 81.3% when compared with that of the corresponding period of last year.
- The Board does not recommend the payment of any dividend for the three months ended 31 March 2008.

QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2008 (UNAUDITED)

The board of Directors (the "Board") of Shangdong Luoxin Pharmacy Stock Co., Ltd. (the "Company") is pleased to announce the unaudited results of the Company for the three months ended 31 March 2008 (the "Period") and the comparative figures of the corresponding period of 2007 of follows:

		Unaudited three months ended 31 March	
	<i>Notes</i>	2008 RMB'000	2007 RMB'000
Turnover, net	3	142,730	102,172
Cost of sales		<u>(75,177)</u>	<u>(58,409)</u>
Gross profit		67,553	43,763
Other revenue	3	1,508	1,132
Other income		896	1,200
Selling and distribution expenses		(10,410)	(6,522)
General and administration expenses		<u>(5,881)</u>	<u>(5,179)</u>
Profit from operations		53,666	34,394
Finance costs	4	<u>(133)</u>	<u>(1,339)</u>
Profit before taxation		53,533	33,055
Income tax expense	5	<u>(13,383)</u>	<u>(10,908)</u>
Profit attributable to shareholders		<u>40,150</u>	<u>22,147</u>
Dividends	6	-	-
Earnings per share (RMB)	7		
– basic and diluted		<u>6.59 cents</u>	<u>3.63 cents</u>

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was established as a collectively-owned enterprise under the name of Shandong Luoxin Factory in the People's Republic of China (the "PRC") on 14 December 1995 and was converted into a joint stock co-operative enterprise on 12 July 1997. On 19 November 2001, Shandong Luoxin Factory underwent a corporate reorganization and was transformed into a joint stock limited liability company with a registered capital of RMB46 million by way of promotion. Subsequent to the above reorganisation, the name of the Company was changed to Shandong Luoxin Pharmacy Stock Co., Ltd. The H shares of the Company have been listed on GEM since 9 December 2005.

The Company's registered office is located at Luoqi Road, High and New Technology Experimental Zone, Linyi City, Shandong Province, the PRC.

The principal activities of the Company are manufacturing and selling of pharmaceutical products.

The financial statements are presented in thousands of units of Renminbi (RMB'000), unless otherwise stated. These financial statements have been approved for issue by the Board on 7 May 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules. The accounting policies adopted are consistent with those followed in the preparation of the Company's audited financial statements for the year ended 31 December 2007.

The financial statement have been prepared under historical cost basis except certain financial assets and financial liabilities, which are measured at fair value.

3. TURNOVER AND REVENUE

The principal activities of the Company are manufacturing and selling of pharmaceutical products. No business or geographical segment analysis is presented as all operations, assets and liabilities of the Company during the period are related to manufacturing and selling of pharmaceutical products, and all assets and customers are located in the PRC.

Revenues recognised are as follows:

	Unaudited	
	three months ended	
	31 March	
	2008	2007
	RMB'000	RMB'000
Turnover		
Sale of manufactured goods	<u>142,730</u>	<u>102,172</u>
Other revenue		
Interest income on bank deposits	<u>1,508</u>	<u>1,132</u>
Total revenue	<u><u>144,238</u></u>	<u><u>103,304</u></u>

4. FINANCE COSTS

	Unaudited	
	three months ended	
	31 March	
	2008	2007
	RMB'000	RMB'000
Interest on short-term bank loan	<u><u>133</u></u>	<u><u>1,339</u></u>

5. INCOME TAX EXPENSE

	Unaudited	
	three months ended	
	31 March	
	2008	2007
	RMB'000	RMB'000
PRC income tax	<u><u>13,383</u></u>	<u><u>10,908</u></u>

No provision for Hong Kong profits tax has been made as the Company did not carry out any business in Hong Kong during the Period.

6. DIVIDENDS

The board does not recommend the payment of an interim dividend for the three months ended 31 March 2008 (2007: Nil).

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 31 March 2008 is based on the unaudited net profit of approximately RMB40,150,000, and the weighted average number of approximately 609,600,000 ordinary shares in issue during the Period.

Diluted earnings per share has not been presented as there were no dilutive potential ordinary shares outstanding during the three months ended 31 March 2008.

The calculation of basic earnings per share for the three months ended 31 March 2007 is based on the unaudited net profit of approximately RMB22,147,000, and the weighted average number of approximately 609,600,000 ordinary shares in issue during the Period.

8. SHAREHOLDERS' FUND

	Share premium <i>RMB'000</i>	Statutory surplus reserve fund <i>RMB'000</i>	Statutory public welfare fund <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2007	31,139	18,109	6,033	95,260	150,541
Profit for the period	–	–	–	22,147	22,147
At 31 March 2007	<u>31,139</u>	<u>18,109</u>	<u>6,033</u>	<u>117,407</u>	<u>172,688</u>
At 1 January 2008	31,139	30,303	6,033	192,817	260,292
Profit for the period	–	–	–	40,150	40,150
At 31 March 2008	<u>31,139</u>	<u>30,303</u>	<u>6,033</u>	<u>232,967</u>	<u>300,442</u>

INTERIM DIVIDENDS

On 4 March 2008, the Board recommended the payment of a final dividend of RMB0.02 per share in respect of the year ended 31 December 2007 to shareholders whose names appear in the register of members of the Company on 15 May 2008. This proposed final dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 16 May 2008.

The Board does not recommend the payment of interim dividend for the three months ended 31 March 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the three months ended 31 March 2008, the profits attributable to the shareholders of the Company recorded a tremendous increase over the corresponding period of last year, and achieved good results. The Company persisted in its strategy of sustainable development and attained distinguished advancement and progress in various aspects. The above achievements are the result of the great support and assistance from all shareholders, customers, suppliers and business partners and the public, as well as the sustainable concerted effort of the management and employees.

The Company focuses on several areas of implementation, including persistence in technology innovation, enhancing the quality of its products, accelerating the pace of establishing sales network, increasing market share of its products, expanding and enhancing the overall quality and technique of its sales team, increasing production capacity to alleviate the problem of its products being in short supply, raising the competitive edge of the Company's products, speed up the building of a high-caliber personnel team, establishing brand names and accelerating the improvement on seven aspects including management, culture, corporate organization, capital operation, scientific and technological innovation, human resources and marketing, etc., which have effectively boosted the Company's development and have further enhanced the ability to mitigate risks and its overall strength. Upon the imminent commencement of operation of the third phase capacity expansion project, the market share of the Company's products would increase, the Company is entering into a phase of achieving economies of scale.

The Company was recognized as the "Top Ten Pharmaceutical Enterprises with Growth Potential" for two consecutive years in 2006 and 2007, and elected as one of the Top 100 Enterprises in Pharmaceutical Industry in China. All these achievements demonstrate that the Company, with a growing reputation within the pharmaceutical industry in China and improved overall strength, is gradually evolving into a renowned top-brand corporation.

Financial Review

The Company's unaudited turnover for the Period was approximately RMB142,730,000, representing an increase of approximately 39.70% when compared with approximately RMB102,172,000 for the corresponding period of last year.

The unaudited cost of sales for the Period was approximately RMB75,177,000, representing an increase of approximately 28.71% when compared with approximately RMB58,409,000 for the corresponding period of last year.

The unaudited gross profit margin for the Period was 47.33%, representing an increase of 4.50% when compared with 42.83% for the corresponding period of last year.

The unaudited operating expenditure for the Period was approximately RMB16,291,000, representing an increase of 39.23% when compared with approximately RMB11,701,000 for the corresponding period of last year. This represented a usual increase in operating expenditure driven by the turnover growth of the Company.

The unaudited profit attributable to shareholders for the Period was approximately RMB40,150,000, representing an increase of 81.29% when compared with approximately RMB22,147,000 for the corresponding period of last year. The weighted average earnings per share were RMB0.066.

Liquidity and Financial Resources

The Company's working capital is generally financed by its internally generated cash flow.

As at 31 March 2008, the Company's cash and cash equivalents amounted to approximately RMB133,277,000 (as at 31 March 2007: RMB174,841,000). As at 31 March 2008, its short term loan amounted to RMB30,000,000 (as at 31 March 2007: RMB86,900,000). The Company's bank borrowings were mainly secured by certain equipment of the Company.

The Company's gearing ratio as at 31 March 2008 was 5.75% (as at 31 March 2007: 20.77%), which was calculated by dividing the amount of bank borrowings of the Company as at 31 March 2008 by total assets as at 31 March 2008 and then multiplied by 100%.

Pledged Bank Deposits/Cash and Cash Equivalents

As at 31 March 2008, the Company's equipment of RMB17,211,000 was pledged to secure the banking facilities of the Company.

Major Acquisition and Disposal

The Company did not have any major acquisition and disposal during the Period.

CONTINGENT LIABILITIES

As at 31 March 2008, the Company did not have any substantial contingent liabilities.

EXCHANGE RISK

The Company operates and conducts business in the PRC and all the Company's transactions, assets and liabilities are denominated in Renminbi.

All the Company's cash and cash equivalents and pledged bank deposits are denominated in Renminbi, while bank deposits are placed in banks in the PRC. Any remittance from the PRC are subject to the restrictions on foreign exchange control implemented by the PRC Government.

EMPLOYEES AND REMUNERATION POLICIES

The Directors believe that employees' quality is the most important factor in maintaining the sustained development and growth of the Company and raising its profitability. The Company determines employees' salaries based on their performance, working experience and the prevailing salaries in the market, while other remuneration and fringe benefits are at appropriate levels.

The Company has established a Remuneration Committee to make recommendations on the overall strategy of remuneration policies.

PROSPECTS

The Company will continue to focus on the scientific research, production and sales of pharmaceutical products. The Company will implement the strategy of sustained development and adhere to its guiding principles of becoming a "Technology-driven enterprise with determination and efforts" by strengthening the co-operations with its research and development partners, enhancing the capability of its research and development teams, constantly developing high-tech, high quality and high value-added new patented products for the market, exploring new areas of potential growth, developing more mature market networks, enhancing its brand name and its core competitiveness so as to bring about continuous growth of profit to the Company. Further, through the one-stop vertical production from bulk pharmaceutical to dose products, together with the enhancement of the competitive edge in cost control and differentiation, the Company will have the power and promise to continue its development.

The Directors believe that the pharmaceutical industry will grow even faster in 2008 as a result of the expanding population, aging population, accelerating pace in urbanization and industrial modernization and the influence of globalized disease in the PRC. Particularly with the PRC speeding up its pace in medical system reform, actively introducing new cooperative medical initiatives and sparing no effort in raising people's living standard, all will effectively boost spending on medical treatment and pharmaceutical products. Such huge market potential will enable well-established enterprises to enter into a new period of rapid development. The Company will also take advantage of such opportunities to implement rapid, sustainable and healthy development. The Ministry of Health has laid down the "2020 Healthy China" (健康中國2020年) plan, which is divided into three stages: in the first stage in 2010, the PRC shall establish a systematic sanitary service system covering urban and rural areas; in the second stage, the PRC shall have good ranking amongst developing countries in terms of sanitary

services by 2015; in the third stage, the PRC's sanitary service shall maintain a high standard among developing countries by 2020, and it is hoped that she can match the standard of those medium level developed countries. If the three-stage plan is materialised, the PRC's pharmaceutical consumption will move into a surging period, which will enable regulated and rapid development of those pharmaceutical enterprises which have potential. This in turn presents a valuable opportunity to the Company. The Company upholds its value of "rewarding the shareholders, benefiting the staff, repaying society and strengthening the enterprise", and will also grab new opportunities, accelerate the pace of development, achieve more technological advancement and innovation, further develop new products, improve the quality of its products, enhance its brand name, lower production costs and expand its scale of production and sale, so as to enjoy benefits brought about by economies of scale, low production cost and differentiation.

The Directors believe that, through the implementation of these measures and grasping new opportunities, the Company will achieve better and faster growth, and thereby enhance the results significantly. Given the upward trend of the pharmaceutical industry, coupled with the prerequisites necessary for rapid and sustainable development that the Company possesses, the Directors expect substantial profits and returns to the Company.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 7 May 2008.

Directors' and Supervisors' Interests in the Shares, Underlying Shares and Debentures of the Company

As at 31 March 2008, the interests and short positions of each Directors and supervisors of the Company in the shares, underlying shares and debentures of the Company, as recorded in the register required to be kept by the Company under Section 352 of Part of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules were as follows:

Long position of domestic shares of the Company, as at 31 March 2008

Name of director	Capacity/Nature of Interest	Number of domestic shares	% of total issued domestic shares	% of Company's Share Capital
Mr. Liu Baoqi (劉保起) (Note 1)	Interest of controlled corporation	238,639,949	53.62%	39.15%
Mr. Liu Zhenhai (劉振海)	Beneficial Owner	35,000,000	7.86%	5.74%

Note 1: These 238,639,949 domestic shares of the Company (“Domestic Shares”) are registered in the name of Linyi Luoxin Pharmacy Company Limited (“Linyi Luoxin”). Liu Baoqi (劉保起) is interested in 51.72% of the registered share capital of Linyi Luoxin. Liu Baoqi (劉保起) is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Linyi Luoxin. For the purpose of the SFO, Liu Baoqi (劉保起) is deemed to be interested in the entire 238,639,949 Domestic Shares held by Linyi Luoxin. The total number of Domestic Shares deemed to be interested by Liu Baoqi (劉保起) as at 31 March 2007 was 230,000,000 (representing 51.68% of the total issued Domestic Shares and 37.73% of the Company’s share capital). On 29 October 2007, Linyi Luoxin further acquired 8,639,949 shares, including 4,319,974.50 Domestic Shares from each of two promoters of the Company, i.e., Linyi City People’s Hospital (“Linyi People Hospital”) and Pinyi County People’s Hospital (“Pinyi People Hospital”).

Substantial shareholders’ Interests and/or Short Positions in the Shares, Underlying Shares of the Company

The register of substantial shareholders (not being a Director or supervisor of the Company) required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2008, the Company had been notified of the following substantial shareholders’ interests and short positions, being 5% or more of the Company’s issued share capital. These interests are in addition to those disclosed above in respect of the Directors and supervisors of the Company.

Long position of Domestic Shares of the Company, as at 31 March 2008

Name	Capacity/Nature of Interest	Number of Domestic Shares	% of total issued Domestic Shares	% of Company’s share capital
Linyi Luoxin	Beneficial Owner	238,639,949	53.62%	39.15%
Zuo Hongmei (左洪梅)	Family interest (note 1)	238,639,949	53.62%	39.15%
Cao Tingting (曹婷婷)	Family interest (note 2)	35,000,000	7.86%	5.74%
Liu Zhendong (劉振東)	Beneficial Owner	35,000,000	7.86%	5.74%
Chen Weiwei (陳偉偉)	Family interest (note 3)	35,000,000	7.86%	5.74%

Notes:

1. These 238,639,949 Domestic Shares are registered in the name of Linyi Luoxin. Linyi Luoxin is owned as to approximately 51.72% by Liu Baoqi (劉保起). As Liu Baoqi (劉保起) is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Linyi Luoxin, for the purpose of the SFO, Liu Baoqi (劉保起) is deemed to be interested in the entire 238,639,949 Domestic Shares held by Linyi Luoxin. Zuo Hongmei (左洪梅), as the wife of Liu Baoqi (劉保起), is taken to be interested in the entire 238,639,949 Domestic Shares held by Liu Baoqi (劉保起).
2. These 35,000,000 Domestic Shares are registered in the name of Liu Zhenhai (劉振海), for the purpose of the SFO, Cao Tingting (曹婷婷), as the wife of Liu Zhenhai (劉振海), is taken to be interested in the entire 35,000,000 Domestic Shares held by Liu Zhenhai (劉振海).
3. These 35,000,000 Domestic Shares are registered in the name of Liu Zhendong (劉振東), for the purpose of the SFO, Chen Weiwei (陳偉偉), as the wife of Liu Zhendong (劉振東), is taken to be interested in the entire 35,000,000 Domestic Shares held by Liu Zhendong (劉振東).
4. Each of Cao Tingting, Liu Zhendong, Chen Weiwei, are not considered to be a substantial shareholder of the Company for the purpose of the GEM Listing Rules as each of them is interested in less than 10% of the total registered share capital of the Company.
5. Linyi People Hospital was a significant shareholder of the Company as at 31 March 2007. On 29 October 2007, it transferred 4,319,974.50 Domestic Shares to Linyi Luoxin and 30,239,821.50 Domestic Shares to another independent investor.
6. Pinyi People Hospital was a significant shareholder of the Company as at 31 March 2007. On 29 October 2007, it transferred 4,319,974.50 Domestic Shares to Linyi Luoxin and 30,239,821.50 Domestic Shares to another independent investor.

AUDIT COMMITTEE

An audit committee of the Company (the “Audit Committee”) was established on 20 November 2005 and its current members during the period ended 31 March 2008 include:

Mr. Foo Tin Chung, Victor (Chairman) (傅天忠)

Mr. Fu Hongzheng (付宏征)

Ms. Li Hongjian (李宏建)

The Company has established the Audit Committee with written terms of reference in compliance with paragraph C3 of the Code of Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules. The duties of the Audit Committee are to review and supervise the financial reporting process and the Company’s internal control policies and procedures. The appointments of the Audit Committee members are based on their broad experience of medicinal field and professional knowledge on financial reporting and management.

The Audit Committee meets regularly to review the financial reporting matters and internal control policies and procedures issues; and see how the Company can comply with these requirements. The Audit Committee also acts as the communication bridge between the Board and the auditors in relation to the planning and scope of audit work. The unaudited results of the Company for the Period have been reviewed by the Audit Committee.

Purchase, sale or redemption of listed securities

The Company has not redeemed any of its listed securities during the Period. The Company has not purchased or sold any of the Company's listed securities during the Period.

Competing business

Set out below is information disclosed pursuant to paragraph 11.04 of GEM Listing Rules of the Listing Rules:–

Linyi Luoxin

Linyi Luoxin is the controlling shareholder of the Company which holds 39.15% of the Company's issued share capital. And the chairman of the Company Mr. Liu Baoqi is also an executive director and chairman of Linyi Luoxin and a controlling shareholder holding 51.72% of the registered capital of Linyi Luoxin.

Before a non-competition undertaking in favour of the Company was signed by Linyi Luoxin on 7 November 2002, Linyi Luoxin was engaged in the sales of chemical medicines, Chinese medicines, medical equipment, health and beauty products. Since the execution of the non-competition undertaking, Linyi Luoxin has undertaken to cease its chemical medicine business. In June 2005, Linyi Luoxin signed a supplementary non-competition undertaking whereby it will carry out its sales activities in Linyi City only and confirmed that its customers are small and mid-sized medical institutions which are below county-level hospital. The Company had received from Linyi Luoxin an annual confirmation in respect of the compliance of these undertakings.

Qingdao Guofeng Group Jiaozhou Pharmacy Limited (“Qingdao Guofeng Jiaozhou”)

Qingdao Guofeng Jiaozhou is a company established in the PRC with limited liability and held 3.28% of the issued share capital of the Company. It is principally engaged in the sales of Chinese medicines, chemical medicines, bio-chemical medicines, medical equipment and health products. To the best knowledge of the Directors, Qingdao Guofeng Jiaozhou is not engaged in development and manufacturing of medicine products and it has no research and development and production capabilities for medicine manufacturing in the PRC.

Qingdao Guofeng Jiaozhou serves as a regional distributor in Qingdao city and Jiaozhou district and procures medicine products from other suppliers in the PRC. The Directors advised that some of the medicine products sold by Qingdao Guofeng Jiaozhou which have the same or similar curative effects as those of the Company may be in competition with the Company's products.

The Domestic Shares held by Qingdao Guofeng Jiaozhou were sold in April 2007 to an independent third party whose business does not compete with that of the Company.

Lijun Group Limited Liability Company ("Lijun Group")

Lijun Group is a company with limited liability in the PRC and held approximately 1.42% of the registered share capital of the Company. Its scope of business mainly includes development, production and sales of Chinese medicines, chemical medicines and medical equipment.

The Directors advised that some of the medicine products sold by Lijun Group which have the same or similar curative effects as those of the Company may be in competition with the Company's products.

The Domestic Shares held by Lijun Group were sold in June 2007 to an independent third party whose business does not compete with that of the Company.

Linyi Municipal Pharmacy Group Company ("Linyi Municipal Pharmacy")

Linyi Municipal Pharmacy is a State-owned enterprise established in the PRC, holding approximately 1.42% of the registered share capital of the Company. Linyi Municipal Pharmacy is principally engaged in the sale of Chinese and chemical medicines, medical equipment and health products in Linyi City and nearby districts. To the best knowledge of the Directors, Linyi Municipal Pharmacy is not engaged and will not engage in the development and manufacturing of medicine products and it has no research and development and production capabilities for medicine manufacturing in the PRC.

Linyi Municipal Pharmacy serves as a regional distributor in Linyi city and nearby districts, and procures medicine products from other suppliers in the PRC. The Directors advised that some medicine products sold by Linyi Municipal Pharmacy which have the same or similar curative effects as those of the Company may be in competition with the products of the Company.

Save as disclosed above, none of the Directors, the substantial shareholders of the Company or their respective associate (as defined in the GEM Listing Rules) had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Company.

Compliance Adviser's Interests

As at 31 March 2008, as notified by the Company's compliance adviser, Kingsway Capital Limited (the "Compliance Adviser"), neither the Compliance Adviser nor any of its directors, employees or associates had any interest in the securities of the Company, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company.

Pursuant to the compliance adviser agreement dated 28 November 2005 entered into between the Company and the Compliance Adviser, the Compliance Adviser shall receive a fee for acting as the Company's compliance adviser for the period from 9 December 2005 to 31 March 2008.

The compliance adviser agreement expired on 31 March 2008 and the Company has not renewed the said agreement or appointed another compliance advisor.

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

Hong Kong, 7 May 2008

As at the date of this announcement, the Board comprises 10 directors, of which Mr. Liu Baoqi (劉保起), Mr. Liu Zhenhai (劉振海), Ms. Li Minghua (李明華) and Mr. Han Fengsheng (韓風生) are executive directors, Mr. Zhou Wuxian (周武先), Mr. Yin Chuangui (尹傳貴) and Mr. Liu Yuxin (劉玉欣) are non-executive directors and Mr. Foo Tin Chung, Victor (傅天忠), Mr. Fu Hongzheng (付宏征) and Ms. Li Hongjian (李宏建) are independent non-executive directors.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the day of its posting.

* *For identification purposes only*