



利君國際醫藥（控股）有限公司
Lijun International Pharmaceutical (Holding) Co., Ltd.

Lijun International Announces 2012 Interim Results

Financial Summary

- The Group's total sales was HK\$ 1,224 million, increased for the corresponding period last year by 12.4%;
- The profit attribute to equity holders of the Company increased by 10.3% to HK\$ 149 million;
- Gross profit was HK\$ 533 million;
- Operating profit was HK\$ 197 million;
- The Directors resolved to pay an interim dividend of HK\$ 0.02 per share;
- The Directors resolved to propose the bonus issue, bring a bonus issue of new shares on the basis of one bonus share for every five existing shares, for approval by the shareholders at the extraordinary general meeting.

(22nd August 2012 – Hong Kong) Lijun International Pharmaceutical (Holding) Co., Ltd. ("Lijun International" or the "Company"; stock code: 2005) and its subsidiary (the "Group") announces its interim results for the six months ended 30 June 2012.

During the first half of the year, the Group's revenue from principle businesses amounted to HK\$ 1,224 million, representing a year-to-year increase of 12.4%. Of which, HK\$558 million was contributed by Xi'an Lijun Pharmaceutical, representing a year-to-year decrease of 6.6%, and HK\$665 million was contributed by Shijiazhuang No. 4 Pharma, representing a year-to-year increase of 35.4%. During the first half of the year, the Group achieved a net profit of HK\$149 million, representing an increase of 10.3% as compared to the same period last year.

The Board recommended the payment of an interim dividend of HK\$0.02 per share, amounting to HK\$48.83 million in total. Also, the Board proposed bonus issue of shares on the basis of one bonus share for every five existing shares to shareholders, subject to approval by the shareholders at the extraordinary general meeting.

For Product Marketing - the production lines that completed expansion last year have all commenced operation in March this year, fueling a significant increase in the production and sales volumes of intravenous infusion solution products of the Company. During the first half of

the year, sales of intravenous infusion solution products amounted to HK\$603 million, representing a growth of 38.8% as compared to the same period last year, of which sales of non-PVC soft bag and PP plastic bottle products increased by 60.3% and 25.8% as compared to the same period last year, continuing the rapid growth momentum over the past years. During the first half of the year, sales of antibiotics amounted to HK\$316 million, representing a drop of 8.0% as compared to the same period last year. Of which, HK\$182 million was contributed by Lijunsha, representing a decrease of 5.2% as compared to the same period last year, and HK\$57 million was contributed by Paiqi series, representing a decrease of 10.4%. Sales of other antibiotics amounted to HK\$77 million, representing a decrease of 12.5% as compared to the same period last year. Sales of key preparation products and general medicines are stable. During the first half of the year, OTC products achieved total sales of HK\$14 million, representing a year-to-year increase of 44.1%. Sales of non-antibiotics finished products amounted to HK\$189 million for the first half of the year, representing a drop of 5.9% as compared to the same period last year.

Favorable progress in research and development of new products and platform construction - “Technology Re-engineering on Erythromycin Ethylsuccinate Crystallization”, a project of State’s New Key Drug Project of Twelfth Five-Year” of Xi’an Lijun Pharmaceutical was kicked off; Compound Dextral Ibuprofen Sustained-release Double-layered Tablet, Type1 New Drug for treating trachea inflammation, and MeN061016-1, Type 1.1 New Drug for treating vascular dementia have completed the application of international PCT patent, of which Type1 New Drug Compound Dextral Ibuprofen Sustained-release Double-layered Tablet has completed onsite preclinical trial research and development assessment and clinical trial application. In particular, the production permits of Edaravone raw materials and injection, and the new drug certificates and production permits for Nalmefene Hydrochloride raw materials and injection, as well as the production permits and health food permits for Lingzhihong Capsules were obtained. All these will positively enhance the Company’s sales at the next phase. During the first half of the year, Shijiazhuang No. 4 Pharma has obtained 34 State’s product registration approvals for change of technology and packaging, and applied for 8 invention and utility patents including PP flip-off cap for plastic infusion solution container and Cefuroxime Axetil Tablet and its preparation method.

Systematic progression of key construction projects - Having integrated its enterprise development strategies with the State’s requirements on injection manufacturers according to the new GMP, Shijiazhuang No. 4 Pharma has proactively implemented the modern preparation project, a key construction project of Heibei Province, and has achieved in obtaining the new GMP certification and fully commenced operation. At the same time, it has mastered an international vision in introducing new technologies, new techniques and new equipment that fulfill the certification standards of the European Union, bringing about an all-round enhancement in the quality and production capacity of infusion solutions, as well as the actualization of core advantages in terms of quality, technologies and costs. Shijiazhuang No. 4 Pharma was the first in Heibei Province to obtain overall GMP certification, leading its counterparts in the industry by

at least half a year, and in turn securing time edges in market exploration. Its leadership position in the industry was further consolidated as its scale and competitiveness were further enhanced. Project of Xi'an Lijun Pharmaceutical repeated demonstration has been conducted to confirm various key works which are currently under expedited progress.

Looking forward, The Company will look to leverage on its own advantages in scale and branding to further optimize its product structure, to ride on the opportunity of market adjustments, to change the way of development, to expand and diversify the market of the products, and to strive for faster and better growth of both sales volume and profit. The Company will maintain high prioritization of product marketing and sales, including: 1) Increasing the weight of sales of advantageous intravenous infusion solution products for substantial growth of sales volume; 2) Striving for stable sales of Lijunsha and other antibiotics products; 3) Augmenting the sales of advantageous featured categories and striving for growth in the sales of general medicines and 4) Ensuring high-speed growth in featured OTC products. The Company will also expedite new product research and development and approval of applications, and accelerate the standardization, capacity expansion and reformation projects.

Mr. Wu Qin, the Chairman of Lijun International Pharmaceutical (Holding) Co., Ltd. said, "The overall economic environment for the pharmaceutical industry in the PRC remained relatively difficult since this year. Further to the continuance of unfavorable factors such as inflating raw and auxiliary material prices and increasing labor costs, the Group's operation was doubly impacted by the State policies and market competition, and the gross profit margin remained low. Coupled with the mandatory implementation of the new GMP, the Company has to undergo works for upgrade and reform, which will increase the operating costs of the Company. In face of the market environment, the Company will exert itself to leverage on its own advantages and assume initiative of development to achieve growth of operating results amidst adversity. Looking ahead into the second half of the year, there will be a lack of obvious improvement in the operating environment for the pharmaceutical industry in the PRC, especially for the antibiotics business that will remain under the strong impact of the "price and quantity restriction" policy. The Company will look to leverage on its own advantages in scale and branding to further optimize its product structure, to ride on the opportunity of market adjustments, to change the way of development, to expand and diversify the market of the products, and to strive for faster and better growth of both sales volume and profit."

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About Lijun International Pharmaceutical (Holding) Co., Ltd.

As one of the leading manufacturers in the pharmaceutical industry in China, Lijun International Pharmaceutical (Holding) Co., Ltd. has more than 70-year operating history and well-known brands. The Group was listed on Hong Kong Stock Exchange in December 2005 (stock code: 2005). The Group is engaged in the research, development, manufacturing and selling of a wide range of finished medicines and bulk pharmaceutical products to hospitals and distributors, including antibiotics, intravenous infusion solution, non-antibiotics finished products, bulk pharmaceuticals and health care product. The Group has manufacturing plants in Hebei Province and Shaanxi Province, the People's Republic of China and sells to customers mainly in Mainland China. The Company is the largest domestic manufacturer of macrolide antibiotics, with a leading position for its intravenous infusion solution products in high-end hospital market. The Company boasts of its robust brand strength including "Lijunsha", a "Famous Trademark" in China and one of the "Ten Favourite Trademarks". The Group successfully acquired Shijiazhuang No. 4 Pharmaceutical Co., Ltd., a leading intravenous infusion solution manufacturer in China in June 2007 to expand its intravenous infusion solution production business. Facing more merger and acquisition opportunities from medical reform, the Group will consider potential mergers and acquisitions to promote its growth.

This press release is issued by Wonderful Sky Financial Group Limited on behalf of Lijun International Pharmaceutical (Holding) Co., Ltd.

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