

利君國際醫藥(控股)有限公司

Lijun International Pharmaceutical (Holding) Co., Ltd.

Announces 2014 Annual Results Significant Growth in Profit Attribute to Equity Holders Special Dividend of HK\$0.172 per Share

Financial Summary

- The Group's sales revenue amounted to HK\$ 2,923 million, representing a y-o-y increase of 6.5%;
- Gross profit increased 14.6% to HK\$ 1,413million;
- Profit attribute to equity holders of the Company increased by 46.4% to HK\$603 million;
- The Directors declared to pay a special dividend of HK\$ 0.172 per share;

(27th March 2015 – Hong Kong) Lijun International Pharmaceutical (Holding) Co., Ltd. ("Lijun International" or the "Company"; stock code: 2005) and its subsidiary (the "Group") announces its Annual results for the year ended 31 December 2014.

During the year, the Group's sales revenue from amounted to HK\$ 2,923 million, representing a year-to-year increase of 6.5 %, of which, HK\$2,091 million was contributed by Shijiazhuang No. 4 Pharma, representing a year-to-year increase of 21.4%. Gross profit increased 14.6% to HK\$ 1,413million. During the year, the Group achieved a net profit of HK\$603 million, representing an increase of 46.4% as compared to last year. Thus the Group recorded another historical high and achieved a new breakthrough.

Following the resolution passed at the general meeting held on 10 October 2014, the Board declared the payment of a special dividend of HK\$0.172 per share. For retaining an appropriate amount of cash for the acquisitions and mergers as well as the development of operations, the Board did not recommend any final dividend for the year. The total dividend for 2014 was HK\$0.232 per share, amounting to HK\$688 million in total,

representing an increase of 487% from last year.

In sales of products, the Group continued enhancement of market share and consolidation of the Company's operating advantages. Centering on the theme of product composition adjustments, the Group focus the efforts on exploring new markets as well as the consolidation and reinforcement of its advantages on the existing market, and continue to expand the end-user coverage of the strong product types such as soft bag infusion solutions and therapeutic infusion solutions in order to effectively ensure the sustained high growth in the sales of the key products. In addition, overseas markets have solid developments. The Company has completed the registration procedures for nearly 50 product specifications in 32 countries. Export remained on the track of fast growth, and the Company was named one of the top ten brands for the export of Chinese chemical pharmaceuticals for the fourth time.

In research and development of new products, the Company's innovation capabilities and strengths were reinforced and the construction of the innovation platform was perfected. The Company was approved to become an innovative post-doctoral practice base in Hebei Province. Three Type 3 new drugs have entered the phase of clinical research, of which the clinical research of Blonanserin is approaching completion. In 2014, the permits for production of 100ml Pediatric Electrolyte Supplements Injection soft bags, 3000ml Mannitol Injection and 1000ml Sodium Lactate Ringer's Injection, as well as the product permit for 25 small liquid injections have been obtained. The clinical diagnosis and biochemical reagent of biological polypeptides and antibodies have commenced. The Company was named an Innovative Enterprise of Hebei Province and a Technology Innovation Model of the province in 2014. In 2014, applications for 14 patents in total have been submitted to the State and 8 patents in total have been granted.

For key projects, the phase one relocation and upgrade of Shijiazhuang No. 4 Pharma's headquarters has completed. All construction works were on schedule. The GMP certification was granted and the operation commenced in March. The Company's production capacity for intravenous infusion solution thereby increased to 1.5 billion bottles/ bags, of which the soft bag infusion solutions accounted for over 60%, realizing significant growth in the overall scale and enhancement in the product composition of the Company.

All entire assets and business of Xi'an Lijun were successfully disposed of during the year. As the Company expects that Xi'an Lijun with a focus on the antibiotics business will experience sluggish business growth in the coming few years and will require substantial investment to obtain the new GMP certification, the disposal of Xi'an Lijun will be favorable to the reallocation of the Company's resources to concentrate on business areas with

皓天財經集團控股有限公司 (HKSE: 1260)

Wonderful Sky Financial Group Holdings Limited

6/F, Nexus Building, 41 Connaught Road, Central, Hong Kong

T: 852 3970 2136 F: 852 2815 1352 W: www.wsfghk.com

stronger growth potential. In addition, it will also allow for the distribution of a special dividend to the Company's shareholders to increase their cash received.

During the year, competition across the entire pharmaceutical industry was intense during the year as the low price tender strategy continued. The Group proactively rose to the difficulties and sustained strong momentum of growth for its operating results through different measures including acceleration of infrastructure construction, enhancement of product composition and development of new markets. The Company has further increased its market share, achieved a new high in its operating results and had new breakthroughs in its development.

Looking forward to 2015, the pharmaceutical industry will continue to be significantly impacted by the State's and local healthcare reform policies. As 2015 may be a year of major tenders for pharmaceuticals, the entire pharmaceutical industry will be presented with enormous opportunities and challenges. The Company will capitalize on such opportunities to achieve new breakthroughs in production and sales composition adjustments, enhance the profitability of infusion products and thereby ensure the competitive strengths of the Company's products on the market. Meanwhile, the Company will continue to unswervingly implement the strategy of "going overseas", accelerate the pace of international registration and certification of our products, and enrich the types and specifications of the products for export incessantly. In addition, the Company will proactively identify opportunities for acquisitions and mergers in the pharmaceutical industry. The intensification of market competition and the conduit of the State policies will trigger increased acquisitions and mergers in the pharmaceutical industry. The Company will capitalize on its own strengths to proactively identify such opportunities for acquisitions and mergers in order to consolidate the market position and product position of the Company.

Mr. WANG Xianjun, the Executive Director of Lijun International Pharmaceutical (Holding) Co., Ltd. said, "We are optimistic about the operating conditions in 2015. We will sustain the Company's sound management strengths and promote the implementation of lean management. We will maximize the operating efficiency from costs and expenses perspective while ensuring the product quality, which will in turn provide management assurance on the development of the Company in the long run. Operations results will continue to grow and we are committed to bring satisfactory returns for investors. Here, on behalf of the Board of Directors of the Company, I would like to thank all the investors and employees who support the Company's development."

- END -

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 mainly intravenous infusion solution. The Group has manufacturing plants in Hebei Province, the People's Republic of China and sells to customers mainly in Mainland China. The Company has a leading position for its intravenous infusion solution products in high-end hospital market. 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.

For media inquiries, please contact:

Wonderful Sky Financial Group Limited

Alice Wang / Jessie Xie

Tel: (852) 3970 2136 / (852) 3641 1300

Fax: (852) 2598 1588

E-mail: alicewang@wsfg.hk / jessiexie@wsfg.hk