

For Immediate Release

2nd April 2013



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

Lijun International Announces 2012 Annual Results

Financial Summary

- The Group's revenue was HK\$2,430,684,000, increased from last year by 12.8%;
- Gross profit was HK\$1,033,094,000;
- Operating profit was HK\$372,216,000;
- Net profit was HK\$281,003,000
- The Directors recommended the payment of a final dividend of HK\$ 0.02 per share

(2nd April 2013 – 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 2012.

During the year, the Group's revenue of its principal businesses amounted to HK\$2,430,684,000, representing an increase of 12.8% as compared to the same period last year, among which, HK\$1,012,510,000 was from Xi'an Lijun Pharmaceutical Co., Ltd. ("Xi'an Lijun"), representing a year-to-year decrease of 9.5%, and HK\$1,418,174,000 was from Shijiazhuang No.4 Pharmaceutical Co., Ltd. ("Shijiazhuang No. 4 Pharma"), representing a year-to-year increase of 36.8%. The Group achieved a net profit of HK\$281,003,000.

The board of directors recommended the payment of final dividend of HK\$0.02 per share, totaling HK\$58,599,000, and total dividend for the year was HK\$107,431,000, representing an increase of 9.9% as compared to last year.

For Product Marketing – Rapid growth of the intravenous infusion solutions business has provided a strong support for the development of the Group on the whole. Shijiazhuang No.4 Pharma's project of newly constructed modernized production line for softpackaging infusion solutions and the construction of auxiliary stereoscopic logistics warehouse has completed construction and passed the new GMP certification. Coupled with the commencement of production of all new infusion products such as double-outlet double valve, the advantages

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brought by the growth in capacity and categories were obvious. Overall sales of intravenous infusion solutions amounted to HK\$1,238,645,000, representing a year-to-year increase of 30.9%, of which growth of sales of soft-packaging infusion solutions was 57.7%. Overall sales of antibiotics products amounted to HK\$523,602,000, representing a year-to-year decrease of 16.8%. Among which, sales of Lijunsha amounted to HK\$261,422,000, representing a year-to-year decrease of 31.7%, whereas sales of Azithromycin series was HK\$121,645,000, representing a year-to-year increase of 8.2%. Affected by the “toxic capsule” incident of other companies in China, Dobesilate recorded a decline in sales, and recorded a sales of HK\$89,165,000 during the year, representing a year-to-year decrease of 3.7%. Sales of Lixiding amounted to HK\$36,920,000, representing a year-to-year increase of 16.1%. Sales of OTC products including Haogan influenza drugs, Lijungai, Weikoujia and Kehao remained on a fast growth track, and the accumulated sales of OTC products amounted to HK\$26,320,000 for the year, representing a year-to-year increase of 27%. Pharmaceutical products other than intravenous infusion solutions of Shijiazhuang No. 4 Pharma recorded swift growth in sales in 2012, with the sales amounting to HK\$179,529,000, representing a growth of 99.4%. Non-antibiotics products of Xi’an Lijun recorded overall sales of HK\$384,446,000, representing an increase of 2.3% as compared to the same period last year.

Progress in new product research and platform construction – In 2012, Shijiazhuang No. 4 Pharma obtained 78 permits for production in total; Cefprozil Tablets and its method of preparation and Cefdinir Capsules and its method of preparation have obtained authorized patents; a total of 39 technical innovation items and a total of 30 innovation items for equipment energy-saving and consumption reduction were completed. At the same time, it has obtained 10 production permits of vertical PP infusion products with high market development value and production permit of sterilised water for injection with extensive clinical application value reflecting rich results achieved in the area of innovations. Shijiazhuang No. 4 Pharma was once again qualified as a new high technology enterprise of Hebei Province. Xi’an Lijun has obtained 6 production permits for new products, including health food permit for Lingzhihongqu Capsules, production permit for Edaravone raw materials and injection, production permit for Nalmefene Hydrochloride raw materials and injection, and new drug certificate and production permit for Glipizide Tablets. Xian Lijun was once again qualified as a new high technology enterprise of Shaanxi Province.

Orderly roll-out of key construction projects – To maintain the strong momentum of development of the infusion solutions and to fuel the sustainable development of the Group, the key project in Hebei Province, namely the relocation, upgrade and reconstruction project of the headquarters of Shijiazhuang No. 4 Pharma, has commenced construction in August 2012, which mainly included the production line for new model of preparations such as three-in-one PP new ampule preparation, and the new addition of an infusion solution production line with an annual production capacity of 800 million bottles (bags). It is anticipated that the 6 infusion

solution production lines of phase one of project will commence trial production or certification in December 2013, bringing along an additional production capacity of 600 million bottles (bags) and more remarkable advantages of scale for the infusion solutions.

Looking forward into 2013, the operating situation of the pharmaceutical industry in the PRC is bound to remain stable, in which opportunities and challenges for enterprise development will coexist. The Group will leverage on its own advantages of scale and advantages of brand name to further enhance the product mix, and ride on the opportunities brought by market consolidation to continue its efforts in expanding and diversifying the product market, with the objective of achieving fast and greater growth in both the sales and profit, by 1) Enhancing structural adjustments to achieve new breakthroughs in production and sales of infusion solutions; 2) Striving for stable sales of antibiotic products; 3) Ensuring swift growth in the sales of advantageous featured categories and general medicines; 4) Expediting new product research and development and approval of applications; and 5) Accelerating the standardization, capacity expansion and reformation projects.

Mr. Wu Qin, the Chairman of Lijun International Pharmaceutical (Holding) Co., Ltd. said, “Although still facing a difficult operating environment, the pharmaceutical industry in China has begun to turnaround during the year. As China’s pharmaceutical tendering system becomes more scientific and reasonable, the downward slide of the prices of pharmaceutical products obviously has come to a halt. On the other hand, the mandatory implementation of the new GMP has increased the entry barrier of the industry, thereby further regulating and enhancing the competitive environment despite increased operating costs for the Company due to technical reform investments. Intravenous infusion solutions of the Company were the first to benefit from this as they were among the firsts to pass the new GMP certifications, which has bestowed them with the initiative of development to achieve sustained fast growth in the operating results. Looking forward into 2013, facing a tough market, the Group will adopt proactive responses to improve its level of sales and management with all means, enhance the quality and efficiency of operation, and in turn generate satisfactory return to its investors. We are highly confident in the future development of the Group.”

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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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