



利君國際醫藥(控股)有限公司
Lijun International Pharmaceutical (Holding) Co., Ltd.
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2005)

CLARIFICATION ANNOUNCEMENT

The Board makes this clarification announcement pursuant to Rule 13.09 of the Listing Rules in response to certain articles that appeared in the press on 20 February 2006.

The board of directors (the “**Board**”) of Lijun International Pharmaceutical (Holding) Co., Ltd. (the “**Company**”) makes this clarification announcement pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in response to certain articles that appeared in the press on 20 February 2006 (the “**Articles**”) which reported that:

- (1) the Company was in negotiation to acquire the remaining 20% equity interest in Xi’an Lijun Pharmaceutical Co., Ltd. (西安利君製藥有限責任公司) (“**Xi’an Lijun**”) (the “**Proposed Acquisition**”);
- (2) the Proposed Acquisition would allow the Company to book more than RMB30,000,000 in profit; and
- (3) the Company planned to acquire Xi’an Rejoy Medicine Co., Ltd. (西安利君醫藥有限責任公司) (“**Rejoy Medicine**”) and Xi’an Lijun Fangyuan Co., Ltd. (西安利君方圓製藥有限責任公司) (“**Xi’an Lijun Fangyuan**”).

The Board noted the contents of the Articles and wishes to clarify that:

- (1) as disclosed in the prospectus of the Company dated 2 December 2005 (the “**Prospectus**”), the Company had the intention to acquire the remaining 20% equity interest in Xi’an Lijun; subject to the above, the Board wishes to inform the public and the shareholders of the Company that the Company is not at present in any negotiations with any parties in respect of the Proposed Acquisition; if the Company proceeds with the Proposed Acquisition, further announcement will be made as and when appropriate and necessary;
- (2) Mr. Wu Qin, the chairman of the Company, did not tell the press that the Proposed Acquisition would allow the Company to book more than RMB30,000,000 in profit and does not know the source of such information in the Articles. Mr. Wu Qin only mentioned that the operating profit and profit for the year made by the Company and its subsidiaries (together the “**Group**”) including 80% equity interest in Xi’an Lijun for the year ended 31 December 2004 was RMB131,392,000 and RMB109,061,000 respectively, information that has been included in the Prospectus; and
- (3) the Company has no concrete plans to acquire Rejoy Medicine and Xi’an Lijun Fangyuan, and is not at present in any negotiations with any parties in respect of such acquisition.

As at the date of this announcement, the Board comprises Wu Qin, Wu Zhihong, Huang Chao, Xie Yunfeng and Sun Xinglai as executive Directors, Liu Zhiyong as non-executive Director and Qu Jiguang, Leung Chong Shun and Chow Kwok Wai as independent non-executive Directors.

By Order of the Board of
Lijun International Pharmaceutical (Holding) Co., Ltd.
LAM YIU POR
Company Secretary

Hong Kong, 21 February 2006