



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

**Announcement of 2009 Interim results**

**Profit Attributable to Equity Holders was Raised 9.9% to HK\$112 million  
as Compared to 2008**

**2009 Interim Results Summary of Lijun International Pharmaceutical (Holding) Co., Ltd.**

- Profit attributable to equity holders was HK\$112 million, increased by 9.9% as compared to the full year of last year; earnings per share was HK\$0.0553
- Sales income was HK\$860 million, increased by 2.4% as compare to the corresponding period last year
- Gross profit was HK\$420 million, increased by 4.4% as compare to the corresponding period last year
- The sales income of intravenous infusions and its underlying businesses increased by 14.8% to HK\$320 million as compared to the corresponding period last year
- The Board proposed an 2009 interim dividend of HK\$0.02 per share

(28 AUG 2009 – Hong Kong) Lijun International Pharmaceutical (Holding) Co., Ltd. ("Lijun International" or the "Company"; stock code: 2005) and its subsidiary (the "Group") are pleased to announce the unaudited operating results of the Group for the six months ended 30 June 2009 (the "Reporting Period").

During the Reporting Period, the Group's achieved profit attributable to the equity holders was HK\$112 million, representing an increase of 9.9% as compared to the full year of last year.; gross profit increased 4.4% to HK\$423 million as compared to the corresponding period last year; sales income was increased 2.4% to HK\$860 million as compared to the corresponding period last year, among which, the sales income of intravenous infusions and its underlying businesses increased by 14.8% to HK\$320 million as compared to the corresponding period last year. The Board of directors (the "Board") proposed an interim dividend of HK\$0.02 per share (2008:HK\$0.006 per share).

Reviewing the results of the first half of 2009, Mr. Wu Qin, Chairman of Lijun International said: "During the Reporting Period, competition of pharmaceutical market remained very intense. Augmented by the impact of global financial crisis, the overall operating environment of

pharmaceutical industry was still enduring difficulties. However, we took advantage of the State's medical system reform, the growth in the size of domestic pharmaceutical market and the industry recovery, together with active promotion of its sales, focused on cost reduction and expenses control to increase the Group's sales volume and gross profit during the Reporting Period".

The Company's intravenous infusions and its underlying businesses has a significant profit contribution to the Group. With the commercial production of two new Infusion Solution production lines, the Company's Intravenous Infusion Solution and its underlying businesses continued to sustain growth. During the Reporting Period, sales was HK\$320 million, growth by 14.8% as compared to the corresponding period last year, operating profit was HK\$79.52 million, a growth of 7.4%. With further rationalization of product portfolio, in terms of packaging, sales volume of PP Plastic Bottle and Non-PVC Soft Bag products increased to 70% from 61% in corresponding period last year; and in terms of pharmaceutical products, sales ratio of Amino Acid and therapeutic infusion products increased to 50% from 48% in corresponding period last year.

The Group have strengthens the development for sale abroad during the period. Currently, the Company has 15 infusions categories applying product registrations in 28 countries and regions in Asia and South America, laying a solid foundation for the future export business of the Company. Meanwhile, The Company is recognized by the State as the only PRC enterprise undertaking research on “「十一五」國家科技支撐計劃重點項目－藥用新輔料臨床前安全性評價及藥品與包裝材料的相容性安全研究課題”.

After going through the market adjustment in the second half of 2008, the antibiotics business has revived during the Reporting Period. During the Reporting Period, sales of Lijunsha reached HK\$218 million, sales of Paiqi was HK\$47.95 million. The Company believes, with further market adjustments and continuous improvement of this business, the antibiotics business will continuous to stable develop during the year of 2009.

For the business of general medicine, by benefiting from the State's new medical system reform, together with its brand name advantage, during the Reporting Period, the overall sales of general medicines were HK127 million, an increase of 22.7% as compared to the corresponding last year, of which, sales of Dobesilate was HK34.22 million, an increase of 36.5% as compared to the corresponding period last year; sales of Lixiding products was 12.78 million, a growth of 24.4% as compared to the corresponding last year.

For the development of new products, during the first half of 2009, most of the Group's new

products, such as approval of pharmaceutical supplemental application in respect of the validity period extension of new influenza drugs like Paracetamol, Loratadine and Pseudoephedrine Sulfate Sustained Release Tablet and production permit of Compound Glycyrrhizic Acid Tablet, clinical approval of Loratadine Soft Capsule, and approval of 2,000ml Mannitol Injection were obtained. New products like Azithromycin Suspension, Duanxueliu Soft Capsule and Compound Glycyrrhizic Acid Tablet were distributed into the market one after another.

The newly constructed research and quality inspection centres for new products had commenced their operation one after another. The building up of the research and academic platform of infusions products is strengthening further. At the moment, the Company has either reached co-operation agreements or intentions with various domestic tertiary institutes and research organizations to establish laboratories. The Group's technologies and products innovativeness will be continuously enhanced.

Looking forward of the second half of 2009, Mr. Wu said: "Although the operating environment of pharmaceutical industry does not expect any significant change in the second half of the year, at the same time, the Company will still be facing intense market competition. However, the State's medical system reform shall also bring sound development opportunities to the pharmaceutical industry. The Company will fully leverage on the strengths of its brand name, premium quality and sales network to facilitate our product sales volume further. Meanwhile, strengthen intravenous infusion segment, continue to consolidate its leading role of macrolides antibiotics, boost the sales of general medicines and privileged brands, speed up the launches and enhance the sales of OTC and healthcare products, to ensure the Group's future development and enhance the stake of the shareholders."

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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" which took over approximately 66% market share in 2008. 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.. The "CMP" (石門) trademark is well-known trademark in mainland. Facing more merger and acquisition opportunities from medical reform, the Group is positioned for continuous mergers and acquisitions to promote its growth.

### **Attachment: Condensed consolidated interim statement of comprehensive income (unaudited)**

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

Wonderful Sky Financial Group Limited

Sally Wong /Daisy Sun

Tel: (852) 2851 1038

Fax: (852) 2815 1352

E-mail: sallywong@wsfg.hk /daisysun@wsfg.hk

**Attachment:****Condensed Consolidated Interim Statement of Comprehensive Income  
(Unaudited)***Unit: HK\$'000*

	<b>Six months ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
<b>Revenue</b>	<b>866,347</b>	846,335
<b>Cost of sales</b>	<b>(443,739)</b>	(441,466)
<b>Gross profit</b>	<b>422,608</b>	404,869
Other gains – net	8,111	11,869
Selling and marketing costs	(199,770)	(183,630)
General and administrative expenses	(83,371)	(83,905)
<b>Operating profit</b>	<b>147,578</b>	149,203
Finance income	297	6,788
Finance costs	(20,523)	(24,214)
Finance costs – net	(20,226)	(17,426)
<b>Profit before income tax</b>	<b>127,352</b>	131,777
Income tax expenses	(15,131)	(15,390)
<b>Profit for the period</b>	<b>112,221</b>	116,387
<b>Other comprehensive income:</b>		
Currency translation differences	581	81,985
<b>Total comprehensive income for the period</b>	<b>112,802</b>	198,372
<b>Profit attributable to:</b>		
– Equity holders of the Company	112,179	116,390
– Minority interest	42	(3)
	<b>112,221</b>	116,387
<b>Total comprehensive income attributable to:</b>		
– Equity holders of the Company	112,760	198,323
– Minority interest	42	49
	<b>112,802</b>	198,372