



東瑞製葯（控股）有限公司
Dawnrays Pharmaceutical (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司)

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FOR IMMEDIATE RELEASE

PRESS RELEASE

Attn: Business Editor

Dawnrays Pharmaceutical (Holdings) Limited

Announced Interim Results For The Six Months Ended 30 June 2009

Net profit after tax jumped 4.4% to RMB 51.08 million
An interim dividend of HK\$ 0.018 per share was declared

(Hong Kong, 21 August 2009) **Dawnrays Pharmaceutical (Holdings) Limited** (“Dawnrays Pharma” or the “Group”, stock code: 2348) announced interim results for the six months ended 30 June 2009. Turnover amounted to approximately RMB 495,550,000 (2008 interim: RMB 456,118,000), representing an increase of 8.6% compared with the corresponding period of last year. Profit attributable to equity holders of the parent amounted to RMB 51,117,000 (2008 interim: RMB 48,863,000), representing an increase of 4.6% when compared to that of last year. Basic earnings per share was approximately RMB 0.0656 (2008 interim: RMB 0.0616). The Board has resolved to declare an interim dividend of HK\$ 0.018 per share for the year ended 31 December 2009 (2008 interim: HK\$ 0.018).

During the period under review, the sales volume of bulk medicines increased by 13.7% as compared to the corresponding period of last year. The production volume and sales volume of powder for injections decreased by 12.1% and 8.7% respectively over the corresponding period of last year. The production volume and sales volume of solid-dosage-forms also increased by 10.7% and 13.6% respectively over that of last year. Export sales represented approximately 6.0% of total turnover, a decrease of 25% as compared to the corresponding period of last year.

Gross profit was approximately RMB 142,541,000 (2008 interim: RMB 121,985,000), equivalent to an increase of 16.9% compared with the corresponding period of last year, while gross profit margin improved from 26.7% in 2008 to 28.8% this year.

Ms. Li Kei Ling, Chairman of Dawnrays Pharma, said, “For six years since its listing, the Group not only pays increasing attention to its financial statements, as the conventional tool of measuring the results of the Company and the performance of its management, but also puts emphasis on contribution to the overall society and the environment. Facing the uncertainties generated by both domestic and international macro-economic factors as well as industry-specific challenges coming from the pharmaceutical sector, we focus on the business operation and professional management in order to maintain a stable operation of the Group. Furthermore, we formulate conservative development strategies and actively adapt changes of the pharmaceutical market in order to strive for good returns for our investors.”

The Group gave a review to its overall performance in the first half of 2009. With respect to sales, the sales of solid-dosage-form products (most are system specific medicines) accounted for total turnover increased from 13.10% to 15.47%, together with the rise of gross profit margin for bulk medicines as compared with the corresponding period of last year had further improved the gross profit margin as a whole. Following the implementation of the basic drugs system and the launch of the supporting policies of new medical reform by the State, all primary medical units (county and thereunder) will adopt a unified tender system in purchasing medical products thereafter. Dawnrays Pharma as a major upstream pharmaceutical enterprise (one with vertical and integrated production capacity of intermediates, bulk medicines and powder for injections), the Group is encountering a new and changing primary market. Therefore, in the first half of 2009, the Group adjusted its marketing strategy while keeping abreast of adjustments in the State’s policies and changes in the market. The Group also strengthened its penetration in the market and moved forward in exploring potential of new end-markets.

On research and development, the Group had applied to the Provincial and State Food and Drug Administration to register a total of 17 products and 15 registrations in the first half of 2009; In addition, the Group received 6 supplemental production permits and 1 clinical permit; and there were 4 products undergoing clinical trials. Furthermore, in the first half of 2009, the production technology of a product of the Group has been granted patent in the PRC (the Group currently owns patented technology for three products); Besides, bulk medicine and tablets of telmisartan, the products of the Group, have been recognised as new technology products of Jiangsu province by Jiangsu Province Sci-tech Department.

With regarding to technological improvement and key construction projects, in order to expand the production capacity and to respond to the rise in the GMP standard of the PRC, the Group has been carrying out plant reconstruction and construction of production plants that meet the European COS standard as well as cGMP standards step-by-step and by stages since 2008.

Looking ahead, the Group believes the pharmaceutical industry in the PRC is both a ‘sunrise’ industry and a pillar industry for the nation to achieve a “harmonious” society. The continuously expanding comprehensive national power of the PRC today, as

well as the basic medical and healthcare system covering the 1.3 billion population which has been launched recently will boost development and upgrade of the country's pharmaceutical industry. Therefore, the rapid development of the pharmaceutical industry in the PRC is driving the enterprises, as modern business organizations, for building the core competencies. As an enterprise with profound knowledge in the PRC market, in the second half of 2009, Dawnrays Pharma will, as always, continuously optimise the structure of products, expand the resource allocation for new marketing channels, dedicate to establish itself a knowledge-intensive enterprise and continue to bring wealth to the shareholders and create value for the society.

About Dawnrays Pharmaceutical (Holdings) Limited

Dawnrays Pharmaceutical (Holdings) Limited (Stock Code: 2348) is a leading vertically integrated pharmaceutical group in China with core competencies in the manufacturing of Cephalosporins and system specific medicines. Founded in 1995, the Group was listed on the Main Board of the Stock Exchange of Hong Kong in July 2003.

Dawnrays Pharma is among one of the earliest pharmaceutical companies in China granted the GMP certification. The Group is principally engaged in the development, manufacturing and sales of Cephalosporins and various system specific medicines. Dawnrays Pharma is one of the few comprehensive vertically integrated 3rd generation Cephalosporin manufacturers in China, adopting distinctive production process from pharmaceutical intermediates to bulk medicines and pharmaceutical preparations. Its system specific medicines cover a wide range of therapeutic areas for anti-allergic, cardiovascular system, digestive system, urinary system and endocrine system, etc. The dosage forms of the Group's pharmaceutical preparations include powder for injections, tablets, capsules and granules, etc.

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This press release is issued by Dawnrays Pharmaceutical (Holdings) Limited. For further enquiries, please contact:

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Financial Highlights

Dawnrays Pharmaceutical (Holdings) Limited

Announced Interim Results For The Six Months Ended 30 June 2009

For the six months ended 30 June

	2009 (Unaudited) RMB '000	2008 (Unaudited) RMB '000
Revenue	495,550	456,118
Cost of sales	<u>(353,009)</u>	<u>(334,133)</u>
Gross profit	142,541	121,985
Other income and gain	1,034	2,759
Selling and distribution costs	(44,666)	(39,683)
Administrative expenses	(23,023)	(21,777)
Other expenses	(9,399)	(10,027)
Finance costs	<u>(292)</u>	<u>-</u>
Profit before tax	66,195	53,257
Tax	<u>(15,118)</u>	<u>(4,324)</u>
Profit for the period	<u>51,077</u>	<u>48,933</u>
Attributable to:		
Equity holders of the parent	51,117	48,863
Minority interest	<u>(40)</u>	<u>70</u>
	<u>51,077</u>	<u>48,933</u>
Dividends	<u>12,447</u>	<u>12,571</u>
Earnings per share attributable to ordinary equity holders of the parent		
– basic, for profit for the period	<u>RMB 0.0656</u>	<u>RMB 0.0616</u>
– diluted, for profit for the period	<u>RMB 0.0654</u>	<u>RMB 0.0612</u>