



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 2011

Net profit after tax jumped 2.9% to RMB 90.06 million  
An interim dividend of HK\$ 0.02 per share was declared

(Hong Kong, 22 August 2011) **Dawnrays Pharmaceutical (Holdings) Limited** (“Dawnrays Pharma” or the “Group”, The Stock Exchange of Hong Kong Stock Code: 2348) announced interim results for the six months ended 30 June 2011. Turnover amounted to approximately RMB 601,572,000 (2010 interim: RMB 626,357,000), representing a decrease of 4.0% compared with the corresponding period of last year. Profit attributable to owners of the parent amounted to approximately RMB 90,056,000 (2010 interim: RMB 87,500,000), representing an increase of 2.9% when compared to that of last year. Basic earnings per share was approximately RMB 0.1129 (2010 interim: RMB 0.1106). The Board has resolved to declare an interim dividend of HK\$ 0.02 per share for the year ending 31 December 2011 (2011: HK\$ 0.02).

Ms. Li Kei Ling, Chairman of Dawnrays Pharma, said, “The year of 2011 is an important year for the healthcare reform in China. Since implementing the healthcare reform, the central and local governments have been establishing universal healthcare system and implementing related policies and measures, of which the policies and measures of the government in the first half of 2011 causing market turbulence exerted pressure on pharmaceutical firms in China. The Group adhered to its conservative operational strategies so that we can flexibly adapt to market changes, make adjustment on our strategies and maintain the overall profit growth of the Group. We expect that subsequent to the turbulence caused by policies and measures of the government, the market will resume normal state. Afterwards, the operational environment of the industry will become relatively stable.”

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Giving a review, the Group has been restructuring its product mix since 2004. After years of dedication, its “An” series, a product line for treating cardiovascular hypertension diseases (“Anneizhen” (安內真)(Amlodipine Besylate Tablets), “Anneixi” (安內喜) (Losartan Potassium and Hydrochlorothiazide Tablets), “Anneiqiang” (安內強) (Telmisartan Tablets)), has established brand recognition and won loyalty from customers. Sales of medicine for treating hepatitis B (“Leiyide” (雷易得)(Entecavir Dispersible Tablets)) and anti-allergy products (“Xikewei” (西可韋) (Cetirizine Hydrochloride Tablets)) showed year-on-year growth. The overall performance in the first half of 2011, with respect to sales, the specific medicine products continue to maintain its strong sales momentum. However, the tendering practice in Anhui being implemented in different regions across the country as well as the introduction of “2011 rectification program for national clinical application of antibacterial medicine (《2011年全國抗菌藥物臨床應用專項整治活動方案》)” by the Ministry of Health has posed certain impact on the sales of the Group’s cephalosporin powder for injection. Moreover, arbitrary investments and massive production had resulted in an oversupply of the upstream raw material “7-ACA” in the market and substantial reduction in its price during the first half of the year, and the consequential fall in the selling price of the Group’s cephalosporin bulk medicine. Therefore, sales of intermediates and bulk medicine decreased by approximately 14.6% compared to the same period last year.

On the research and development front, during the first half of 2011, two products were approved for launch, namely Cefprozil Tablets (頭孢丙烯片) and Levamlodipine Besylate Tablets (苯磺酸左旋氨氯地平片). Currently the Group has a total of 14 new products being applied for research and development, of which 11 pending approval for production and the remaining 3 under clinical trials. Besides, pre-clinical studies are being conducted for 4 other products.

Looking ahead, the Group will step up its efforts in the production and sales of Cephalosporin products in oral form. As regards specific medicines, it will strive to capture a larger market share for its “An” series products. Eyeing the overseas markets, global distribution of “Leiyide” (雷易得 (Entecavir Dispersible Tablets)), a specific medicines for treating hepatitis, is being planned in an orderly fashion. The Group will also speed up the construction process of its production facilities for specific medicines so as to relieve the overload on its production as early as possible.

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## **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 3<sup>rd</sup> 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 cardiovascular system, anti-viral, anti-allergic, 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.  
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## Financial Highlights

### **Dawnrays Pharmaceutical (Holdings) Limited**

Announced Interim Results For The Six Months Ended 30 June 2011

For the six months ended 30 June

	<b>2011</b> <b>(Unaudited)</b> <b>RMB '000</b>	2010 (Unaudited) RMB '000
<b>Revenue</b>	<b>601,572</b>	626,357
Cost of sales	<u>(402,114)</u>	<u>(426,621)</u>
<b>Gross profit</b>	<b>199,458</b>	199,736
Other income and gains	<b>8,279</b>	5,545
Selling and distribution costs	<b>(52,880)</b>	(52,805)
Administrative expenses	<b>(27,037)</b>	(24,789)
Other expenses	<b>(15,500)</b>	(19,771)
Finance costs	<b>(762)</b>	(130)
<b>Profit before tax</b>	<b>111,558</b>	107,786
Income tax expense	<u>(21,502)</u>	<u>(20,288)</u>
<b>Profit for the period</b>	<u><b>90,056</b></u>	<u>87,498</u>
Attributable to :		
Owners of the parent	<b>90,056</b>	87,500
Non-controlling interest	<u>-</u>	<u>(2)</u>
	<u><b>90,056</b></u>	<u>87,498</u>
<b>Earnings per share attributable to ordinary equity holders of the parent</b>		
– basic, for profit for the period	<u><b>RMB 0.1129</b></u>	<u>RMB 0.1106</u>
– diluted, for profit for the period	<u><b>RMB 0.1124</b></u>	<u>RMB 0.1098</u>