



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

Listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 2348 )

**2008 Interim Results**

**Corporate Presentation**

**Hong Kong, 21 August 2008**





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# Results Highlights

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Ms. Li Kei Ling  
*Chairman*





# Financial Highlights

For the six months ended 30 June Unaudited	FY 2008 RMB '000	FY 2007 RMB '000	Change %
<b>Turnover</b>	<b>456,118</b>	437,202	↑ 4.3
<b>Gross Profit</b>	<b>121,985</b>	97,976	↑ 24.5
<b>Profit before tax</b>	<b>53,257</b>	46,108	↑ 15.5
<b>Net profit attributable to equity holders</b>	<b>48,863</b>	41,356	↑ 18.2
<b>Earnings per share – basic (RMB)</b>	<b>0.0616</b>	0.0516	↑ 19.4
<b>Interim dividend per share (HK\$)</b>	<b>0.018</b>	0.015	↑ 20.0



# Interim Dividend

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The Board has resolved to declare an interim dividend of **HK\$ 0.018** per share for the year ended 31 December 2008, approximately amounting to a total sum of **HK\$ 14,290,500** (approximately equivalent to **RMB 12,571,000**).



# Industry & Results Review

**Pharmaceutical market in the PRC will sustain a rapid growth**

With the increasing inputs from the government and the society, the social health care systems in both urban and rural areas are in the process of establishing. It is anticipated that the China's pharmaceutical market will be ranked top 5 worldwide in 5 years, with a double digit annual growth rate

**System specific medicines have been the main driver of the business growth**

The revenue of solid-dosage-forms has increased by approx. 20% compared with the corresponding period. In order to further strengthen the market share of cardiovascular system specific medicines, the Group has arranged resource deployment for the second half and has formulated marketing plan for a new product - Losartan Potassium & Hydrochlorothiazide (An Nei Xi)

**Bulk medicine business recorded a growth in gross profit margin**

The global credit crunch and the soaring prices of oil and oil derivatives have generated stress for pharmaceutical manufacturers and chemical firms. However, with the scientific management of raw material purchasing, manufacturing, and sales & marketing, the bulk medicine business still recorded a 5.4% increase in gross profit margin

**The anti-dumping national policy in India has affected the overseas business**

The main reason leading to the decreased overseas sales in the first half is that, India, as one of the major overseas markets, adopted an anti-dumping national policy against Chinese pharmaceutical firms. Accordingly, the Group has formulated business development projects in order to enter the institutionally stabled pharmaceutical markets based in advanced economies



# Prospects



# Business Review

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Mr. Gao Yi

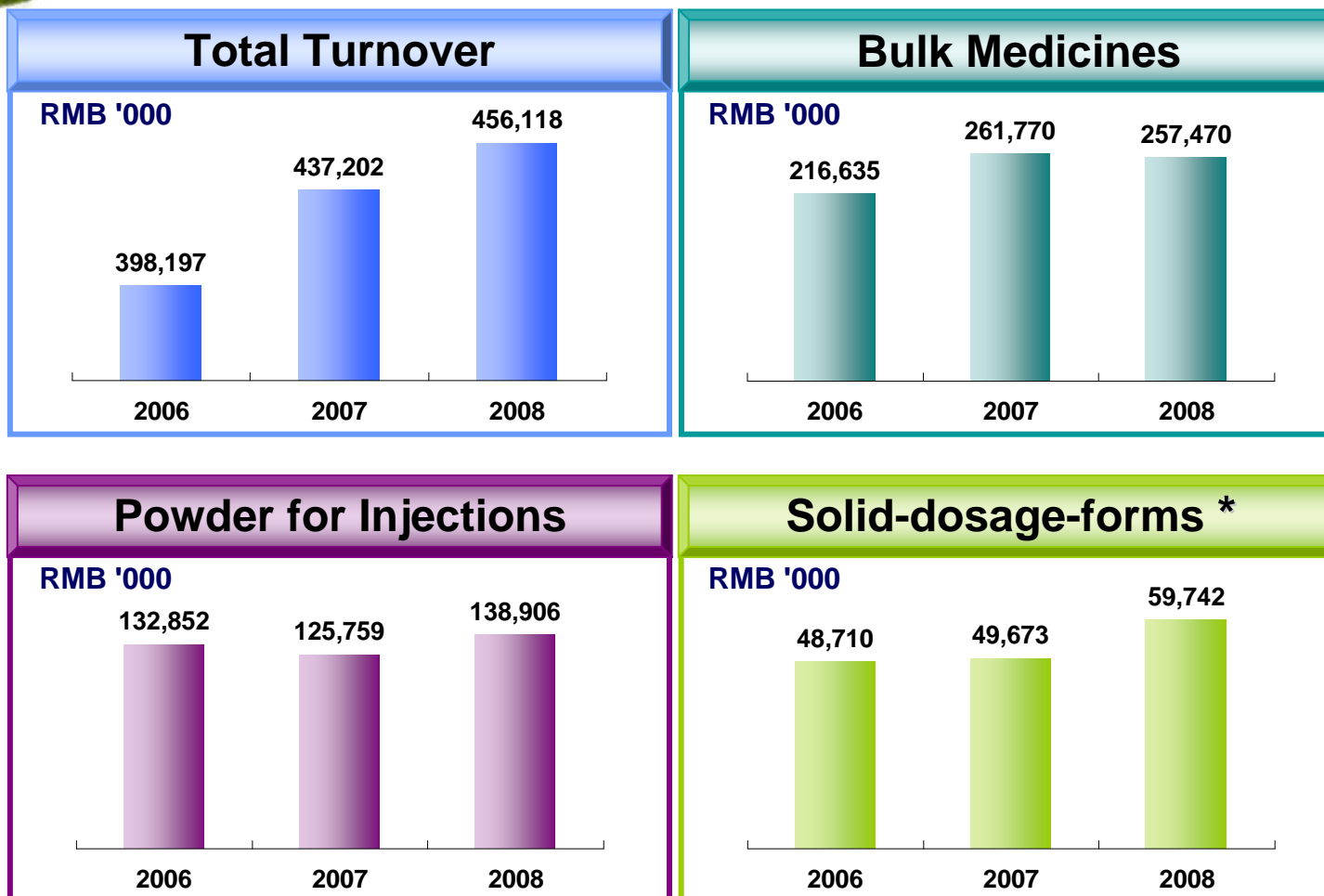
*Chief Executive Officer*





# Turnover

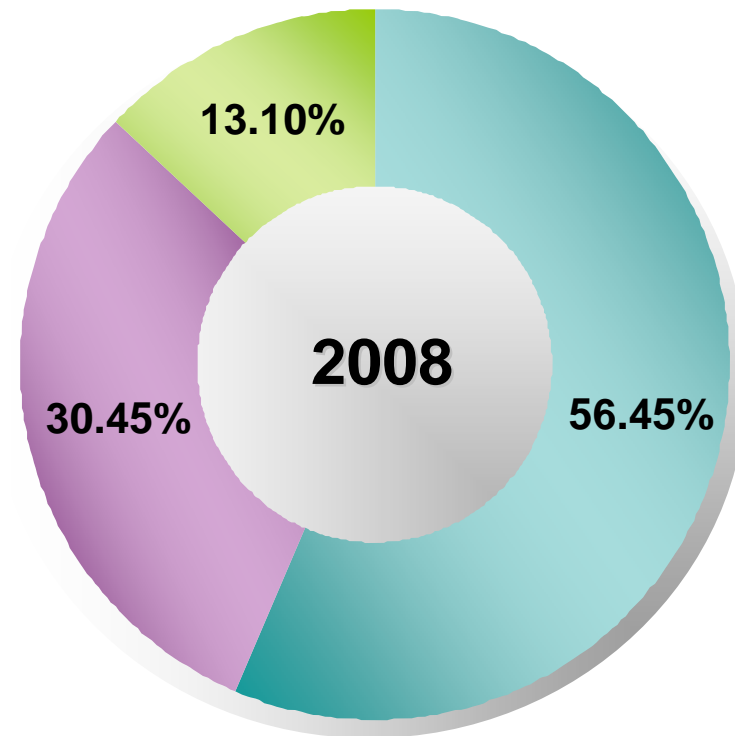
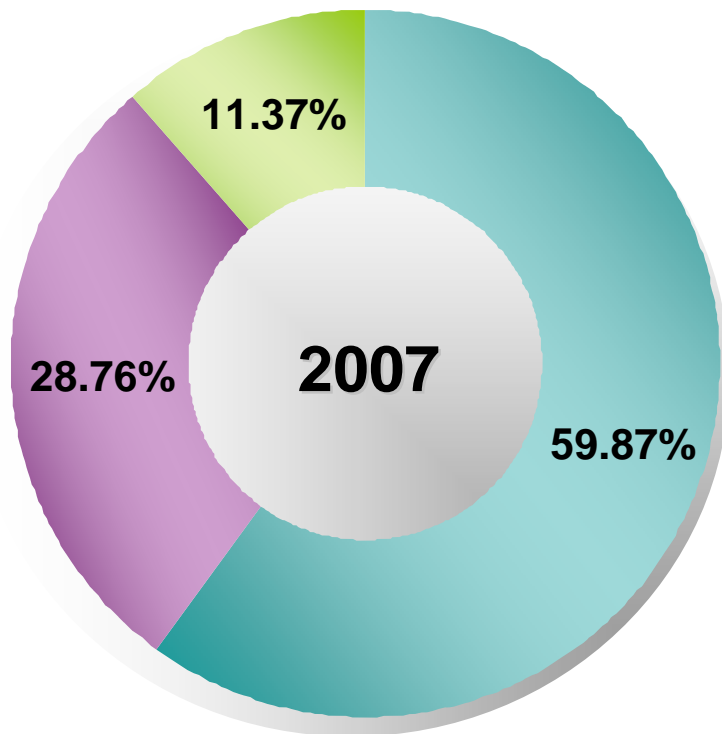
For the six months  
ended 30 June  
Unaudited








# Sales Breakdown

For the six months  
ended 30 June  
Unaudited



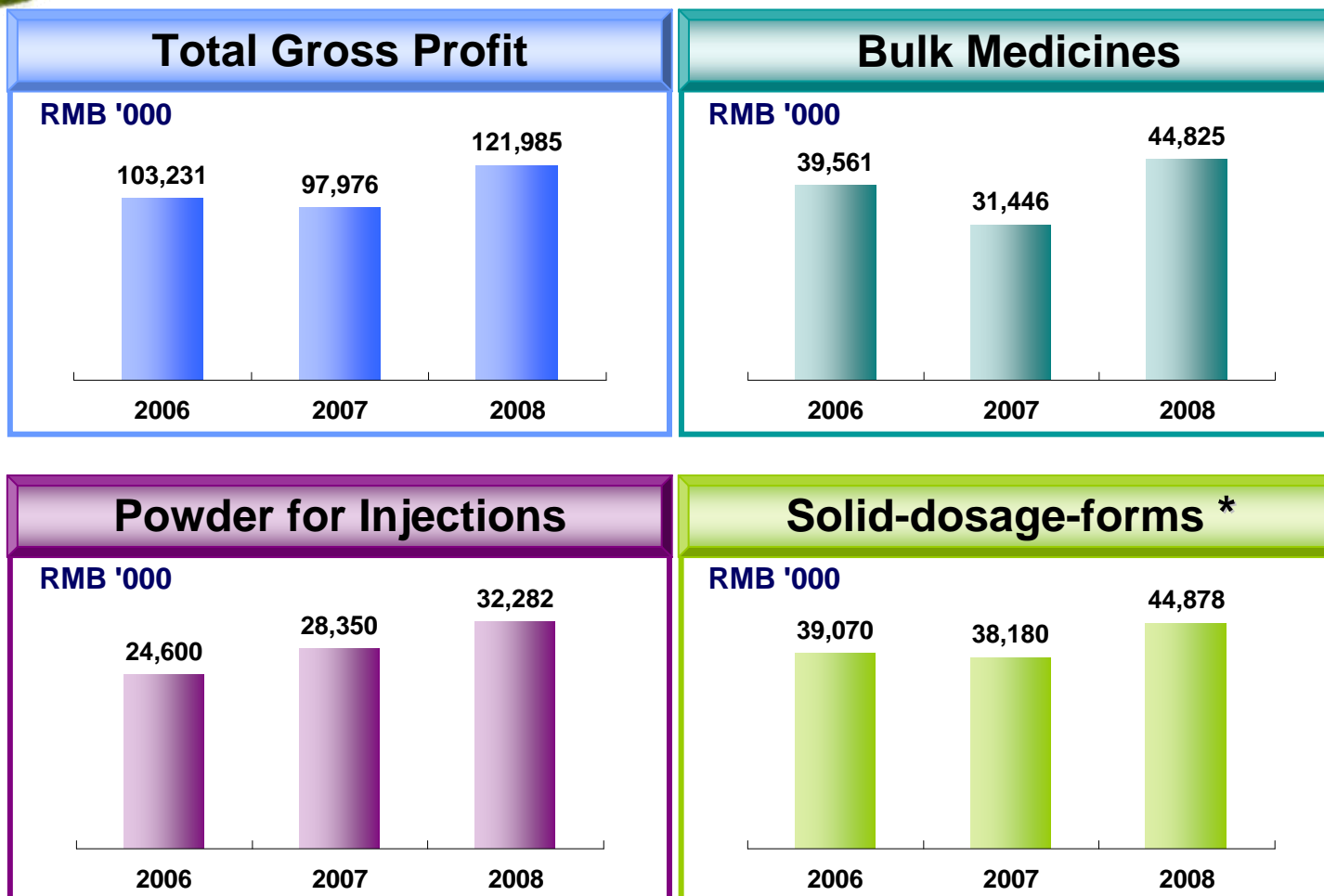
-  Bulk Medicines
-  Powder for Injections
-  Solid-dosage-forms

*(most are system specific medicines)*



# Gross Profit

For the six months  
ended 30 June  
Unaudited

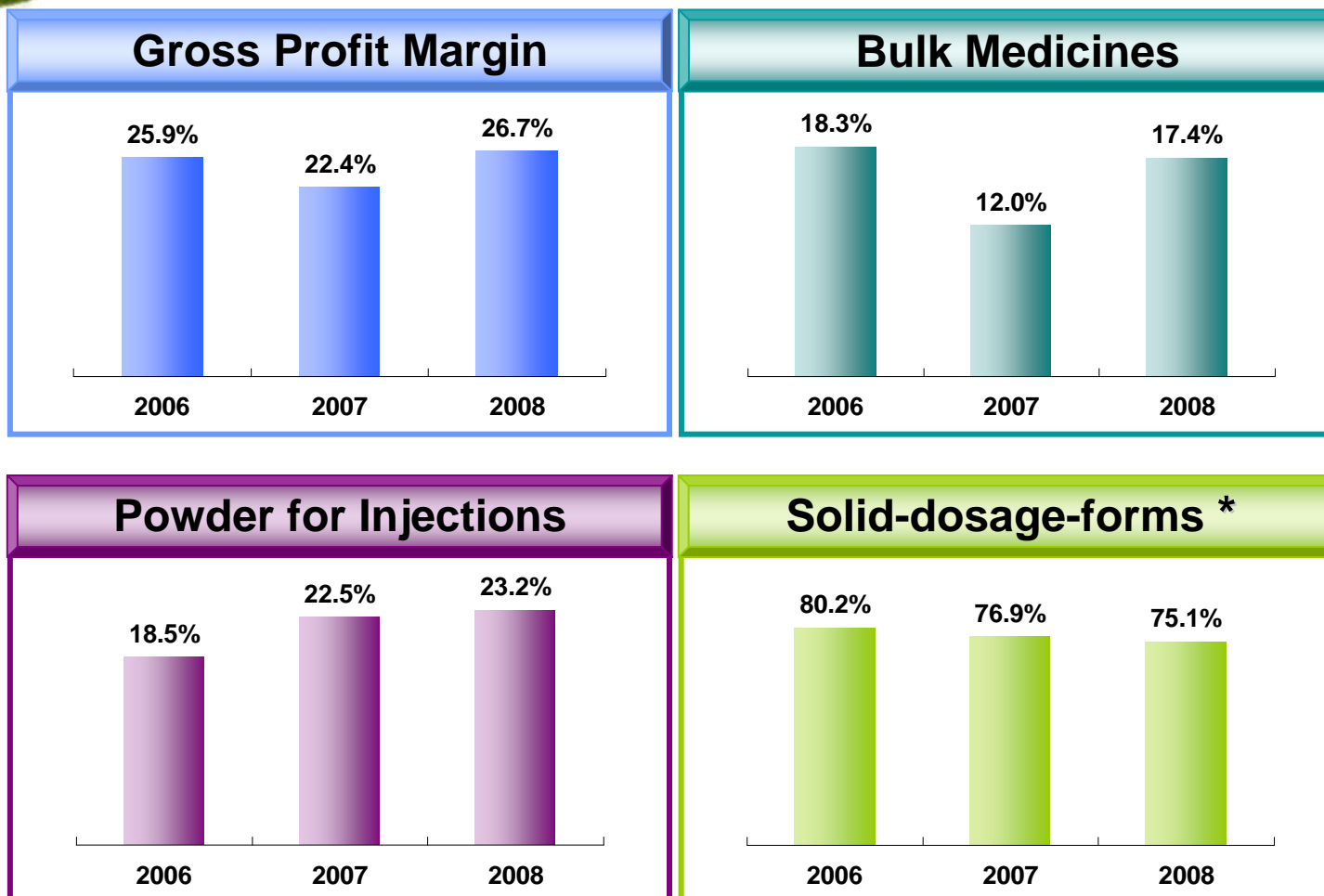


\* most are system specific medicines



# Gross Profit Margin

For the six months  
ended 30 June  
Unaudited



\* most are system specific medicines



# New Product Development

In the first half of 2008, the State Food and Drug Administration (SFDA) of the PRC has granted :

Approval for production : 4 products

Production permits : 4

Certificate of new pharmaceutical product : 1 (Cetirizine Hydrochloride and Pseudoephedrine Hydrochloride Sustained-Release Tablets, an anti-allergic system specific medicine )

Supplemental production permits : 7

Clinical trials permits : 4

Submitted registration applications : 13 projects

## Clinical Trials Projects

### Completed

Oral cephalosporin products : 2

### Engaged

Cardiovascular system specific medicines : 2



# Honourable Recognition

## June 2008

**Amlodipine Besylate Tablets and Montelukast Sodium Orally Disintegrating Tablets :**

- **the production techniques have been granted patents in China**

## June 2008

**Suzhou Dawnrays Pharmaceutical Co., Ltd. passed the assessment certified by National Quality Assurance Ltd. (NQA), an accredited certification body in the United Kingdom and was awarded the Certificate of Registration :**

- **Quality Management System ISO 9001**
- **Environmental Management System ISO 14001**
- **Occupational Health and Safety Management System OHSAS 18001**



# Expansion Plans

## Suzhou Dawnrays Pharmaceutical Co., Ltd.

- construction works for re-location and expansion of bulk medicine workshops project started in March 2008

## Suzhou Dawnrays Chemical Co., Ltd.

- reformed both solvent recycling and waste water treatment systems

## Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd.

- the civil engineering was basically completed

## Suzhou Dawnrays Pharmaceutical Co., Ltd.

- started contriving a plan to construct an oral system specific medicine workshop on the newly acquired land

# Financial Review

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Ms. Wu Jihong  
*Financial Controller*





# Income Statements

For the six months ended 30 June Unaudited	FY 2008 RMB '000	FY 2007 RMB '000	FY 2006 RMB '000
<b>Turnover</b>	<b>456,118</b>	437,202	398,197
<b>Gross Profit</b>	<b>121,985</b>	97,976	103,231
<b>Net Profit</b>	<b>48,933</b>	41,396	45,496
<b>Margin</b>			
<b>Gross Profit Margin</b>	<b>26.7%</b>	22.4%	25.9%
<b>Net Profit Margin</b>	<b>10.7%</b>	9.5%	11.4%
<b>EPS &amp; Dividends</b>			
<b>EPS (Basic) (RMB)</b>	<b>0.0616</b>	0.0516	0.0568
<b>EPS (Diluted) (RMB)</b>	<b>0.0612</b>	0.0513	0.0567
<b>Interim dividend per share (HK\$)</b>	<b>0.018</b>	0.015	0.015



# Balance Sheets

	30 June FY 2008 RMB '000	31 December FY 2007 RMB '000	31 December FY 2006 RMB '000
<b>Assets &amp; Liabilities</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Audited</b>
<b>Non-current Assets</b>	<b>306,440</b>	298,310	270,831
<b>Current Assets</b>	<b>623,849</b>	553,088	487,506
<b>Current Liabilities</b>	<b>332,745</b>	272,392	245,290
<b>Net Assets (total assets less current liabilities)</b>	<b>597,544</b>	579,006	513,047
<b>Equity</b>			
<b>Equity Attributable to Equity Holders</b>	<b>596,896</b>	578,352	512,257
<b>Aggregated Bank Facilities Granted</b>	<b>513,500</b>	543,400	463,400



# Key Financial Ratios

	30 June FY 2008	31 December FY 2007	31 December FY 2006
	Unaudited	Audited	Audited
<b>Current Ratio</b>	<b>1.87</b>	2.03	1.99
<b>Turnover Days for Trade and Notes Receivables (day)</b>	<b>135</b>	123	121
<b>Turnover Days for Inventory (day)</b>	<b>85</b>	69	87
<b>Debt Ratio (defined as interest bearing loans and borrowings over total assets)</b>	<b>0%</b>	0%	3.3%
<b>Return on Equity (ROE)</b>	<b>8.2%</b>	17.5%	12.8%
<b>Return on Assets (ROA)</b>	<b>5.3%</b>	11.9%	8.7%



# Liquidity

For the six months ended 30 June

Unaudited

	FY 2008 RMB '000	FY 2007 RMB '000	FY 2006 RMB '000
<b>Net Cash Inflow from Operating Activities</b>	<b>36,068</b>	39,929	37,861
<b>Net Cash Outflow from Investing Activities</b>	<b>(20,164)</b>	(5,381)	(21,591)
<b>Net Cash Outflow from Financing Activities</b>	<b>(28,034)</b>	(10,853)	(30,191)
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(12,130)</b>	23,695	(13,921)



# Capital Commitments

	30 June FY 2008 RMB '000	31 December FY 2007 RMB '000	31 December FY 2006 RMB '000
	Unaudited	Audited	Audited
<b>Capital Commitments</b>	<b>123,060</b>	<b>103,859</b>	<b>43,865</b>

## Capital Commitments mainly derived from :

### Suzhou Dawnrays Pharmaceutical Co., Ltd.

Construction of new bulk  
medicine workshops for  
cephalosporin products

Re-construction of old  
workshop according to  
GMP requirement

### Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd.

Construction project

### Suzhou Dawnrays Chemical Co., Ltd.

Construction of  
multi-function workshop

Environmental  
protection projects, etc.



# Sufficient Financial Resources

Cash and cash equivalents as 30 June 2008

- RMB 63,891,000

As at 30 June 2008, notes receivables with ages within 6 months :

- RMB 187,899,000

➡ The Group has sufficient financial and internal resources to fund the capital expenditures



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# Thank you

