



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 Annual Results For The Year Ended 31 December 2008

Net profit after tax amounted to approximately RMB 102.13 million

A final dividend of HK\$ 0.040 per share was declared

(Hong Kong, 26 March 2009) **Dawnrays Pharmaceutical (Holdings) Limited** (“Dawnrays Pharma” or the “Group”, stock code: 2348) announced annual results for the year ended 31 December 2008. Revenue amounted to approximately RMB 947,710,000 (2007: RMB 919,945,000), representing an increase of 3.0% compared with the corresponding period of last year. Profit attributable to equity holders of the parent amounted to approximately RMB 102,037,000 (2007: RMB 101,072,000). Basic earnings per share was approximately RMB 0.1290 (2007: RMB 0.1260).

The Board has resolved to declare a final dividend of HK\$ 0.040 per share for the year ended 31 December 2008 (2007: HK\$ 0.038). Taking into consideration of the interim dividend of HK\$ 0.018 per share, the total annual dividend distributed for the year amounted to HK\$ 0.058 per share (2007: HK\$ 0.053). The dividend payout ratio is approximately 40%.

During the period under review, the production volume and sales volume of bulk medicines was decreased by 1.6% and 4.9% respectively compared with the corresponding period of last year. The production volume of powder for injections was increased by 2.2% over the corresponding period of last year while the sales volume was almost the same. The production volume and sales volume of solid-dosage-forms were also increased by 12.0% and 15.6% respectively over that of last year. Export sales as a percentage to total revenue was approximately 8%, representing a decrease of 1% compared with the corresponding period of last year.

Gross profit was approximately RMB 256,663,000 (2007: RMB 239,502,000), equivalent to an increase of 7.2% compared with the corresponding period of last year, while gross profit margin improved from 26.0% in 2007 to 27.1% this year.

Ms. Li Kei Ling, Chairman of Dawnrays Pharma, said, "The Group adhered to the financial principle of tight cost control, and continued to optimize technologies of the manufacturing process, as such, production cost was further reduced. Under the current economic environment of credit crisis and financing difficulties caused by financial crisis which the world is facing, Dawnrays Pharma has managed to maintain healthy and stable financial structure. For the year ended 31 December 2008, all the development projects of the Group have been funded by its own sufficient capital resources."

Mr. Gao Yi, Chief Executive Officer of the Group, gave a review to the Group's overall performance in 2008. With respect to sales, the solid-dosage-forms (i.e., system specific medicines) still have been the main driver for the Group's business growth. In the 5 years since Dawnrays Pharma's listing, the Group has been persisting in the expansion of its penetrating strength in cardiovascular system specific medicine market and focusing on establishing expert network and academic promotion. Therefore, the market share of system specific medicines has been further expanded. This did not only increase the Group's sales volumes, but it also improved the gross profit margin as a whole, as well as further optimized the structure of products.

On research and development, the Group had applied to the Provincial and State Food and Drug Administration (SFDA) of the PRC to register a total of 16 products and 23 events in 2008. There were 7 products approved for production by the SFDA of the PRC, together with 8 production permits and 3 certificates of new pharmaceutical products granted. In addition, the Group received 10 supplemental production permits for 10 products, 6 clinical trial permits for 4 products. Furthermore, the Group had completed 5 products' clinical trials and engaged in clinical trials for 3 products.

With regarding to technological improvement and key construction projects, in order to improve the Group's product quality and strengthen its integrated production capacity, together with fulfilling its social responsibility in terms of environmental protection, every new construction project and optimizing reconstruction project planned by the Group since 2006 had been successively completed or reached the final stage of equipment installation and commissioning.

Looking ahead, Ms. Li concluded, "The Board believes that the entry barrier of China medicine market will be enhanced in the coming few years. Therefore, The Group has been proactively constructing or planning to construct manufacturing facilities and production systems that can meet the American or European standards, to not only enhance the overall technology platform of the Group but also to enable the Group to take corporate social responsibility and build up a trust and reliable

enterprise brand and social image in the mindset of the doctors and consumers. Meanwhile, with the support from the State's policy to the China pharmaceutical market, the market capacity will expand gradually and the demand for basic medicines will increase simultaneously, which fostered a growing operational environment for the pharmaceutical enterprises in China. We estimate the major products of Dawnrays Pharma will be included into the "National Basic Drugs Catalogue", which will promote the sales of such products in a more effective manner. We have the ability of and confidence in catering for the new medical system in general and continuing to maintain good business development in order to create value and satisfactory return for our shareholders."

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 Annual Results For The Year Ended 31 December 2008

For the year ended 31 December

	2008 (Audited) RMB '000	2007 (Audited) RMB '000
Revenue	947,710	919,945
Cost of sales	<u>(691,047)</u>	<u>(680,443)</u>
Gross profit	256,663	239,502
Other income and gain	5,072	4,320
Selling and distribution costs	(79,395)	(69,218)
Administrative expenses	(43,796)	(41,117)
Other expenses	(22,485)	(21,950)
Finance costs	<u>(343)</u>	<u>-</u>
Profit before tax	115,716	111,537
Tax	<u>(13,585)</u>	<u>(10,380)</u>
Profit for the year	<u>102,131</u>	<u>101,157</u>
Attributable to:		
Equity holders of the parent	102,037	101,072
Minority interest	<u>94</u>	<u>85</u>
	<u>102,131</u>	<u>101,157</u>
Dividends:		
Interim	12,576	11,804
Proposed final	<u>27,477</u>	<u>28,224</u>
Earnings per share attributable to ordinary equity holders of the parent		
– basic, for profit for the year	<u>RMB 0.1290</u>	<u>RMB 0.1260</u>
– diluted, for profit for the year	<u>RMB 0.1284</u>	<u>RMB 0.1253</u>