



東瑞製藥(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)

Suites 3212-13, Shell Tower, Times Square, 1 Matheson Street, Hong Kong

Tel: 852-2111 9708 Fax: 852-2111 9870

FOR IMMEDIATE RELEASE

PRESS RELEASE

Attn: Business Editor

Dawnrays Pharmaceutical (Holdings) Limited

Announced Annual Results For The Year Ended 31 December 2007

Net Profit jumped 53.6% to RMB 101 million
A final dividend of HK\$ 0.038 per share was declared

(Hong Kong, 17 March 2008) **Dawnrays Pharmaceutical (Holdings) Limited** ("Dawnrays Pharma" or the "Group", stock code: 2348) announced annual results for the year ended 31 December 2007. Revenue amounted to approximately RMB 919,945,000 (2006: RMB 788,797,000), representing a 16.6% increase compared with the corresponding period of 2006. Net profit attributable to equity holders amounted to RMB 101,072,000 (2006: RMB 65,781,000), representing an increase of 53.6% compared with last year. Basic earnings per share was RMB 0.1260 (2006: RMB 0.0823).

The Board has declared a final dividend of HK\$ 0.038 per share for the year ended 31 December 2007. Together with the interim dividend of HK\$ 0.015 per share, the total annual dividend for the year amounted to HK\$ 0.053 per share. The dividend payout ratio is approximately 40%.

During the period under review, the Group has continued to increase investments in environment protection, technology standards and production plants, so as to ensure product quality and customer's satisfaction. Underpinned by the rapidly growing pharmaceutical market in the PRC, both production and sales volumes recorded a growth than last year. During 2007, production volume and sales volume of bulk medicines increased 23.0% and 12.0% respectively. Production and sales volumes of powder for injections were maintained. Production volume and sales volume of solid-dosage-forms increased 30.9% and 27.8% respectively. Export sales continued to grow rapidly, resulting in a 29.9% increase over last year. Gross profit increased 30.2% to RMB 239,502,000 (2006: RMB 184,009,000) while gross profit margin improved from 23.3% in 2006 to 26.0% this year.

Ms. Li Kei Ling, Chairman of Dawnrays Pharma, said, "In 2007, the Group benefited from the high growth of the pharmaceutical market in the PRC and an increase in system specific medicine business and overseas sales. We have satisfactory results. The Group also enhanced raw materials supply chain management and successfully reduced the impact of price fluctuation on production costs. We have been closely monitoring the market demand and supply situation to enable us to adjust our sales strategies promptly and contributed to better profit margin in bulk medicine business."

Mr. Gao Yi, Chief Executive Officer of the Group, gave a review to the Group's overall performance in 2007. As one of the few comprehensive vertically integrated 3rd generation Cephalosporin manufacturers in the PRC, the Group has engaged in the sales of chemical raw materials and bulk medicines to third party upon satisfying its in-house consumption. Sales of various system specific medicines (including cardiovascular system medicines and anti-allergic drugs) has grown significantly and further consolidated our leading market position in major cities of the PRC and enabled us to penetrate into mid to small towns and community clinics.

With regarding to the key technological improvement and construction projects, various projects has been executed in accordance to the designated plans for satisfying the requirements on environmental protection measures as posed by the PRC government.

Dawnrays Pharma also acquired a piece of land of approximately 73,000 square metres in Suzhou for construction of the production facilities for oral bulk medicines and pharmaceutical preparations in accordance with EU standards.

On research and development, the Group obtained production permit from the State Food and Drug Administration (SFDA) of the PRC for one anti-infective bulk medicine, and another 37 supplemental production permits for 30 products. The Group conducted research on production technique for 9 bulk medicines and 14 preparations. The Group also completed clinical research for 2 products and clinical research for another 4 products are underway.

Looking ahead to the business development, Ms. Li concluded, "In 2008, the planned Nantong project is expected to be completed and commence production. Forthcoming sales of its chemical intermediates and crude products of Cephalosporins shall contribute to our revenues. 2 new Cephalosporin products and another 2 system specific medicines will also be launched into market in 2008 that will form a solid foundation to further expand the Group's sales and profits. The Group will continue to monitor the pharmaceutical market to identify favorable trends and opportunities, implement strict cost control and effective production and sales strategies and upgrade overall management to contribute to the sustainable future growth of the Group."

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 pharmaceutical preparations include powder for injections, tablets, capsules and granules, etc.

— End —

This press release is issued by Financial PR HK Ltd. on behalf of Dawnrays Pharmaceutical (Holdings) Limited.

For further information, please contact:

Financial PR HK Ltd.

Danny Chung

Tel: 852-2110 8123

Email: danny.chung@financialpr.com.hk

Polly Tong

Tel: 852-2110 3017

Email: polly.tong@financialpr.com.hk

Financial Highlights

Year ended 31 December 2007

	2007 RMB '000	2006 <i>RMB '000</i>
Revenue	919,945	788,797
Cost of sales	(680,443)	(604,788)
Gross profit	239,502	184,009
Other income and gain	4,320	2,955
Selling and distribution costs	(69,218)	(53,669)
Administrative expenses	(41,117)	(36,400)
Other expenses	(21,950)	(26,590)
Financial costs	—	(976)
Profit before tax	111,537	69,329
Tax	(10,380)	(3,451)
Profit for the year	101,157	65,878
Attributable to:		
Equity holders of the parent	101,072	65,781
Minority interest	85	97
	101,157	65,878
Dividends:		
Interim	11,804	12,422
Proposed final	28,224	13,654
Earnings per share attributable to ordinary equity holders of the parent		
- basic, for profit for the year	RMB 0.1260	RMB 0.0823
- diluted, for profit for the year	RMB 0.1253	RMB 0.0818