



東瑞製葯(控股)有限公司

DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

(在開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份編號: 2348 Stock Code: 2348

Annual Report

2007 年報



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### BOARD OF DIRECTORS

#### EXECUTIVE DIRECTORS

Ms. LI Kei Ling (*Chairman*)  
Mr. HUNG Yung Lai  
Mr. LI Tung Ming  
Mr. GAO Yi

#### NON EXECUTIVE DIRECTOR

Mr. LEUNG Hong Man

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. PAN Xue Tian  
Mr. CHOI Tat Ying Jacky  
Mr. SIK Siu Kwan

### AUDIT COMMITTEE

Mr. SIK Siu Kwan (*Chairman*)  
Mr. PAN Xue Tian  
Mr. CHOI Tat Ying Jacky

### REMUNERATION COMMITTEE

Ms. LI Kei Ling (*Chairman*)  
Mr. PAN Xue Tian  
Mr. CHOI Tat Ying Jacky  
Mr. SIK Siu Kwan

### NOMINATION COMMITTEE

Ms. LI Kei Ling (*Chairman*)  
Mr. PAN Xue Tian  
Mr. CHOI Tat Ying Jacky  
Mr. SIK Siu Kwan

### AUDITORS

Ernst & Young  
*Certified Public Accountants, Hong Kong*

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Standard Chartered Bank (HK) Limited  
Industrial and Commercial Bank of China Suzhou Wuzhong Sub-Branch  
Agricultural Bank of China Suzhou Nanmen Sub-Branch

### 董事會

#### 執行董事

李其玲女士 (*主席*)  
熊融禮先生  
李東明先生  
高毅先生

#### 非執行董事

梁康民先生

#### 獨立非執行董事

潘學田先生  
蔡達英先生  
薛兆坤先生

### 審核委員會

薛兆坤先生 (*主席*)  
潘學田先生  
蔡達英先生

### 薪酬委員會

李其玲女士 (*主席*)  
潘學田先生  
蔡達英先生  
薛兆坤先生

### 提名委員會

李其玲女士 (*主席*)  
潘學田先生  
蔡達英先生  
薛兆坤先生

### 核數師

安永會計師事務所  
*執業會計師, 香港*

### 主要往來銀行

中國銀行(香港)有限公司  
渣打銀行(香港)有限公司  
中國工商銀行蘇州市吳中支行  
中國農業銀行蘇州市南門支行

#### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

#### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda (Cayman) Limited  
P.O.Box 513 GT  
Strathvale House  
North Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited  
26/F Tesbury Centre  
28 Queen's Road East  
Hong Kong

#### STOCK CODE

2348

#### 總辦事處及主要營業地點

香港  
銅鑼灣  
勿地臣街一號時代廣場  
蜆殼大廈3212-13室

#### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

#### 主要股份過戶登記處

The Bank of Bermuda (Cayman) Limited  
P.O.Box 513 GT  
Strathvale House  
North Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

#### 香港股份過戶登記分處

卓佳雅柏勤有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

#### 股份代號

2348

# Chairman's Statement

## 主席報告

### DEAR SHAREHOLDERS

On behalf of the board the ("Board") of the directors (the "Directors") of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), I am glad to present the results of the Group for the year ended 31 December 2007.

### RESULTS

The Group has recorded the revenue of approximately RMB919,945,000 (2006: RMB788,797,000) for the year ended 31 December 2007, which was increased by 16.6% from the revenue of 2006. Net profit attributable to equity holders was approximately RMB101,072,000 (2006: RMB65,781,000), which was increased by 53.6% from the profit of 2006. The significant increase in profit was mainly due to the high growth rate in the pharmaceutical market of PRC, and an increase in the Group's system specific medicine business and overseas export business. Further, the Group enhanced fundamental raw material supply chain management, and successfully lowered the impact of price fluctuation on production costs. Meanwhile, close monitoring of product supply and demand situation in the market, and measures to adjust sales strategies have also contributed to the Group's profit margin in bulk medicine business.

### FINAL DIVIDEND

The Board has declared a final dividend of HK\$0.038 per share for the year ended 31 December 2007, approximately amounting to the total sum of HK\$30,141,000 (approximately equivalent to RMB28,224,000).

Considering the interim dividend of HK\$0.015 per share, the total annual dividend distribution for the year ended 31 December 2007 is HK\$0.053 per share. The dividend payout ratio is approximately 40%.

### OVERVIEW

The pharmaceutical market of PRC enjoyed a high growth rate in 2007, and is expected to become one of the top 5 pharmaceutical markets in the world within 5 years. As GNP of PRC has continued to grow, average individual medical expenditure has increased steadily. Furthermore, as Ministry of Health of PRC will improve urban and rural medical and health protection systems, the pharmaceutical market of PRC is going to keep the momentum of a high growth rate on the condition of increasing government spending on medical and health.

The Board has been persistent in creating value for shareholders, and at the same time, making contributions to customers' health. In 2007, the Group has continued to increase investments in environment protection, technology standards and production plants, so as to ensure product quality and customer health.

In 2007, the Group's cephalosporin bulk medicine business grew significantly. As one of the few third generation cephalosporin manufacturers in the PRC which adopted the comprehensive vertically integrated-production-process, the Group has engaged in sales of chemical raw materials and bulk medicines upon satisfying its own needs of bulk medicines for powder for injections.

### 致各股東：

本人欣然代表東瑞製葯(控股)有限公司(「本公司」)之董事(「董事會」)會(「董事會」)提呈本公司及其附屬公司(「統稱「本集團」)截至二零零七年十二月三十一日止年度之業績報告。

### 業績

本集團截至二零零七年十二月三十一日止錄得營業額約人民幣919,945,000元(二零零六年：人民幣788,797,000元)，比二零零六年增長16.6%。權益持有人應佔淨溢利約人民幣101,072,000元(二零零六年：人民幣65,781,000元)，比二零零六年增長約53.6%。利潤增長幅度較大，主要是因為於二零零七年中國醫葯市場整體高速增長，以及本集團專科用葯業務和海外出口業務增加所導致。此外，本集團在基礎原料供應鏈方面加強管理，成功降低價格波動對生產成本的影響；同時，緊貼市場對產品的供求動態，調整銷售策略的措施，亦有效提升原料葯業務的利潤空間。

### 末期派息

董事會決議宣派截至二零零七年十二月三十一日止年度末期股息為每股港幣0.038元，合共約港幣30,141,000元(約相當於人民幣28,224,000元)。

連同中期股息每股港幣0.015元計算，本年度全年共派息每股港幣0.053元，派息比率約40%。

### 概覽

中國醫葯市場在2007年整體高速增長，預計中國的醫葯市場在未來5年內將成為全世界前5大醫葯市場。由於中國國民生產總值持續增長，導致居民人均醫療開支穩步上升。又加上中國國家衛生部將完善城鄉醫療衛生保障機制，在政府做更大的醫葯衛生開支的前提下，中國製葯行業將繼續保持高速增長的勢頭。

董事會一直堅持在為股東創造財富的同時，為客戶健康做出貢獻。在二零零七年，本集團繼續加大對環境保護、技術標準和生產車間的投入，保證產品質量和用戶健康。

在二零零七年，本集團頭孢菌素的原料葯增長顯著。作為是國內少數實現全面垂直整合生產第3代頭孢菌素的廠商之一，在滿足自身粉針劑原料葯用料的基礎上，本集團同時對外銷售化學原料和原料葯。

In 2007, various system specific medicines (including cardiovascular system medicines and anti-allergic drugs) of the Group realised significant growth in sales, consolidated their leading position in markets for major cities in PRC, and strived to penetrate markets for medium and small towns and community clinics.

In 2008, the Group will further enhance new product management and customer relationship management, as well as market orientation, and establish strategic alliances within and outside PRC, formulate related corporate strategies and market tactics, so as to push an in-depth development of product promotion and distribution.

## DEVELOPMENT STRATEGIES

The Group has been steadily developing antibiotics business, continuously optimizing its product portfolio, striving to develop the system specific medicine market and overseas market, attracting and recruiting talented people, enhancing investments in research and development and markets, in order to create actively a new profitable platform since listing of the Group.

## CORPORATE GOVERNANCE

The Board has established the audit committee, nomination committee and remuneration committee in order to enhance the capabilities of corporate governance of the Group, so as to upgrade the flexibility of the management platform and scientific direction of the business operation. An effective internal control mechanism in our financial management system was also established, so as to maintain sustainable and healthy development of the Group.

## THE CREATION OF FUTURE TOGETHER WITH TALENTED STAFF

The Board has been devoting to train and recruit talents and always treated its elite management team as well as its staff nationwide as the most valuable intangible assets, which have been the greatest driving force for the future development of the Group. I would like to take this opportunity to express my deepest gratitude to the members of the Board, and to the staff of the Group's subsidiaries and various departments who have been working with us dedicatedly for the last year.

**Li Kei Ling**  
*Chairman*

Hong Kong, 14th March 2008

在二零零七年，本集團多項專科用藥，包括心血管系統的專科用藥和抗過敏藥的銷售數量大幅增長，穩居中國大城市市場領導地位，並向中小城市和社區診所市場滲透。

在二零零八年，本集團將進一步加強新產品開發管理和客戶關係管理，以市場為導向，在海內外建立戰略夥伴關係，制定相應的企業戰略和市場策略，將公司的產品營銷向深度發展。

## 發展戰略

本集團上市以來，穩健發展抗生素業務，同時不斷優化產品結構，努力發展專科用藥市場和海外市場，吸引人才，加大研發和市場投資力度，積極建造新的盈利平臺。

## 公司管治

董事會建立審計委員會、提名委員會、和薪酬委員會，積極加強本集團的企業管治能力，提高經營平臺的靈活性和科學性，建立有效的資金管理內控機制，使企業可持續性健康穩定發展。

## 企業人才、共創未來

董事會一直致力於培養及招募人才。優秀領導團隊和分布中國各地的員工，一向是本集團的最重要無形資產，更是推動集團發展的最大動力。我借此機會，對董事局同仁和本集團各公司、各部門年內努力工作、敬業服務的員工深表謝意。

*主席*  
**李其玲**

香港，二零零八年三月十四日

### BUSINESS REVIEW

#### PRODUCTION & SALES OPERATION

For the year ended 31 December 2007, each of the Group's products in terms of production volume and sales volume recorded a growth over the corresponding period of last year. During 2007, production and sales volume of bulk medicines increased 23.0% and 12.0% respectively compared with the corresponding period of last year. Meanwhile, production and sales volume of powder for injections were almost equivalent to those of last year. Production and sales volume of solid-dosage-forms also increased 30.9% and 27.8% respectively compared with the corresponding period of last year. Export trading continued to grow rapidly, with an increase of 29.9% compared with the corresponding period of last year.

#### DEVELOPMENT OF NEW PRODUCTS

In 2007, the Group obtained the production permit for one anti-infective bulk medicine from the State Food and Drug Administration (SFDA) of the PRC, together with 37 supplemental production permits for 30 species of products. The Group conducted studies of production technique for 9 species of bulk medicine and 14 species of preparation. The Group also completed clinical research for 2 species of products and has been engaged in clinical research for another 4 species.

#### CONSTRUCTION PROJECTS FOR THE EXPANSION OF PRODUCTION FACILITIES

##### Pharmaceutical Chemical Intermediates

Suzhou Dawnrays Chemical Co. Ltd. has completed the planning of building new workshops, however, due to various environmental protection measures taken by PRC government, such planning is still under review by PRC government departments.

Meanwhile, the Nantong environmental protection plan has been examined and approved by PRC government and executed in accordance with such plan of the Group.

##### Bulk Medicines

The completed plan for building new workshops has been reviewed and approved by related PRC government departments. Preparation for construction has been completed, and construction shall begin in 2008, with a view to start trial production in early 2009.

##### Pharmaceutical Preparations

A piece of land with an area of approximately 73,000 square meters has been acquired in Suzhou, with a plan to build production facilities for oral bulk medicines and pharmaceutical preparations in accordance with EU standards.

### 業務回顧

#### 生產銷售概況

本集團截至二零零七年十二月三十一日止各產品的產量及銷量均較二零零六年增長。於二零零七年，原料藥的產量及銷量較去年分別增長23.0%及12.0%；粉針劑的生產與銷售量基本與去年持平；固型劑的產量及銷量亦分別較去年增長30.9%及27.8%。出口業務繼續迅速增長，較去年增長29.9%。

#### 新產品情況

二零零七年獲得中國食品藥品監督管理局批准生產的品種為抗感染原料藥1個，另有30個品種規格的产品獲得了37個生產補充批件。進行了9個品種的原料工藝研究，14個品種的製劑工藝研究，完成2個品種的臨床研究；此外尚有4個品種正在進行臨床研究。

#### 擴充生產設施專案建設

##### 醫藥化工中間體

受到中國政府對環保的各項措施的影響，蘇州東瑞化工有限公司新車間專案設計已完成，仍待中國政府部門審批。

南通專案環保方案已通過中國政府審核，按照本集團規劃執行。

##### 醫藥原料

新車間完成了設計方案，通過了中國政府相關部門的審查，做好了動工建設的準備。擬定2008年開始建設，2009年初試生產。

##### 醫藥製劑

在蘇州增購土地約73,000平方米，擬定按照歐盟標準建設口服原料藥及製劑生產廠房。



### PROSPECTS

In recent years, the Group has undergone steady development that makes formation of an excellent and comprehensive vertically integrated-production-process, which tightly links the upper-middle-lower streams of production. With the advanced technology platform and leading technology development team, the Group has improved product quality, established strong and stable customer relations. Coupled with effective corporate management and governance, the Group has taken substantial market share and famous brand-names for its products under current market conditions in China. As the PRC government has already started implementation of measures to improve public health care services, together with a tendentious policy that extends medical insurance protection into the rural market, and as economic development in PRC has steadily been raising living standards of the rural inhabitants, more business opportunities for the Group's antibiotics and system specific medicines will be created.

In 2008, the planned Nantong project will be completed and commissioning for production. The forthcoming sales of its chemical intermediates and crude products of Cephalosporin will bring further profit gains to the Group. Furthermore, 2 new Cephalosporin products will also enter into market that will bring such income as expected. Besides, we anticipate another 2 system specific medicines will also be launched into market in 2008 that will form a solid foundation in increasing the Group's sales and profits. The Group will closely monitor and look into the tendency of changes, strictly implement budgets, adjust production and sales strategies and strive to a high management standard for promotion of the Group's development.

### FINANCIAL REVIEW

#### SALES AND GROSS PROFIT

For the year ended 31 December 2007, the Group has achieved the revenue of approximately RMB919,945,000, equivalent to an increase of 16.6% compared with the corresponding period of last year. Gross profit was approximately RMB239,502,000, equivalent to an increase of 30.2% compared with the corresponding period of last year. Gross profit margin was increased by 2.7% to 26.0% (2006: 23.3%). The main reasons for the growing revenue were the increase in sales volume of bulk medicines and the high gross profit system specific medicines. In addition, the weighted average unit selling price of bulk medicines also increased 11.5% compared with the corresponding period of last year.

#### TABLE OF TURNOVER ANALYSIS 營業額分析

Product	產品	Turnover (RMB'000)		Sales Breakdown (%)	
		營業額(人民幣千元)		銷售比例(%)	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
Bulk Medicines	原料藥	569,279	455,987	61.9	57.8
Powder for Injections	粉針劑	239,532	244,120	26.0	31.0
Solid-Dosage-Forms	固型劑	111,134	88,690	12.1	11.2
Overall	總體	919,945	788,797	100.0	100.0

### 展望

近年來本集團穩固發展，形成了優越的上中下游三環緊扣的垂直整合產業鏈，擁有先進的技術平臺和技術開發隊伍，提高產品質量，建立了強大而穩定的客戶關係，企業管治著見成效，在中國當前的市場狀況下，擁有一定的市場份額和市場知名品牌。中國政府已開始實施改善公共衛生保健服務的措施，和將醫療保險保障範圍擴展到廣大的農村市場的傾向性政策，同時中國的經濟發展也使農村人口的生活水平不斷提高，為本集團的抗生素及專科用藥帶來更多的商機。

踏入二零零八年，按原規劃進行的南通工程項目將完工並開始投入生產，其生產的化工中間體及頭孢類前體將進入市場銷售，為本集團帶來進一步贏利。此外，兩個頭孢新產品亦將投入市場，預期將帶來一定的收益；還有2個專科用藥亦將在二零零八年進入市場，這可以為未來的銷售增量和贏利打下堅實基礎。本集團仍將緊貼醫藥市場的變化趨勢，嚴格執行預算，調整產銷策略，致力提高管理水平，促進本集團的發展。

### 財務回顧

#### 銷售及毛利

截至二零零七年十二月三十一日止，本集團全年營業額約人民幣919,945,000元，比去年同期增長16.6%。毛利額約人民幣239,502,000元，比去年同期增長30.2%。毛利率為26.0%，較去年同期的23.3%上升了2.7%。主要原因是由於原料藥及高毛利的專科用藥銷售數量均有增長，且原料藥全年平均銷售單價較去年上升11.5%。



# Management Discussion and Analysis

## 管理層討論及分析

### EXPENSES

The Group has executed expenses budgeting. With the continuous growth in sales amount, the total expenses incurred during the year increased 12.5% making total of RMB132,285,000 compared with the corresponding period of last year, equivalent to 14.4% of turnover (2006: 14.9%). The increase was mainly because of the selling and distribution costs was increased by 29.0% to RMB69,218,000 compared with the corresponding period of last year. It was due to the surge of freight expenses which was caused by the boost of fuel price. Moreover, the modification of sales strategies and expansion of the sales network also demanded more sales force and increased marketing activities expenses.

### NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

For the year ended 31 December 2007, net profit attributable to equity holders amounted to RMB101,072,000, equivalent to an increase of 53.6% compared with the corresponding period of last year. The reasons for the increase in profit were mainly due to the rise in gross profit margin and reasonable control of expenses.

### ANALYSIS ON THE RETURN ON ASSETS

As at 31 December 2007, net assets of the Group were approximately RMB579,006,000. Net return on net assets, which is defined as the net profit attributable to equity holders divided by net assets, was 17.5% (2006: 12.8%). The current ratio and quick ratio was 2.03 and 1.57 respectively. Turnover days for trade and notes receivables was approximately 123 days. Turnover days for inventory was approximately 69 days.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007, the Group held cash and cash equivalents of approximately RMB76,843,000 (as at 31 December 2006: RMB44,023,000). The inventories amounted to RMB124,435,000 (as at 31 December 2006: RMB134,597,000). The trade receivables amounted to RMB143,087,000 (as at 31 December 2006: RMB138,909,000). The notes receivables amounted to RMB198,083,000 (as at 31 December 2006: RMB149,983,000). The trade and notes payables amounted to RMB247,407,000 (as at 31 December 2006: RMB201,242,000). The Group had no interest-bearing borrowings and loans (as at 31 December 2006: RMB25,351,000).

As at 31 December 2007, the debt ratio (defined as bank advances for discounted bills over total assets) of the Group was 0% (as at 31 December 2006: 3.3%).

As at 31 December 2007, the Group had aggregate bank facilities of approximately RMB543,400,000 (as at 31 December 2006: RMB463,400,000).

During the year, the net cash inflow from operating activities was approximately RMB130,551,000 (2006: RMB50,613,000). Net cash outflow from investing activities was approximately RMB61,666,000 (2006: RMB15,269,000). Net cash outflow from financing activities was approximately RMB30,645,000 (2006: RMB43,206,000).

### 費用

本集團繼續實施費用預算管理，在銷售額持續增長的情況下，年內費用較去年增加12.5%至合共約人民幣132,285,000元，約佔營業額的14.4%（二零零六年：14.9%）。主要是由於油價的上漲引致運費增加；此外，因應銷售策略的調整及為擴大銷售網絡，增加了銷售人員和宣傳推廣活動費用致使銷售及分銷費用較去年增加29.0%至人民幣69,218,000元。

### 權益持有人應佔淨溢利

截至二零零七年十二月三十一日止，權益持有人應佔純利約人民幣101,072,000元，比去年同期增加53.6%。利潤增加主要是來自毛利率的增長和費用的合理控制。

### 資產盈利能力分析

截至二零零七年十二月三十一日止，本集團的淨資產約人民幣579,006,000元，淨資產收益率（界定為權益持有人應佔純利除以淨資產）為17.5%（二零零六年：12.8%）。流動比率和速動比率分別為2.03和1.57，應收帳款（含應收票據）周轉期約123日，存貨周轉期約69日。

### 流動資金及財政資源

於二零零七年十二月三十一日，本集團持有現金及現金等價物約人民幣76,843,000元（於二零零六年十二月三十一日：人民幣44,023,000元）。存貨佔用資金為人民幣124,435,000元（於二零零六年十二月三十一日：人民幣134,597,000元）。應收貿易款為人民幣143,087,000元（於二零零六年十二月三十一日：人民幣138,909,000元），應收票據款為人民幣198,083,000元（於二零零六年十二月三十一日：人民幣149,983,000元）。應付貿易及票據款項為人民幣247,407,000元（於二零零六年十二月三十一日：人民幣201,242,000元）。本集團的計息貸款及借貸為人民幣0元，（於二零零六年十二月三十一日：人民幣25,351,000元）。

於二零零七年十二月三十一日，本集團之負債比率（界定為銀行貼現票據墊款除以資產總值）為0%（於二零零六年十二月三十一日：3.3%）。

於二零零七年十二月三十一日，本集團可動用的銀行信貸總額約人民幣543,400,000元（於二零零六年十二月三十一日：人民幣463,400,000元）。

年內，經營業務的現金流入淨額約人民幣130,551,000元（二零零六年：人民幣50,613,000元）；用作投資活動的現金流出淨額約人民幣61,666,000元（二零零六年：人民幣15,269,000元）；用作融資活動的現金流出淨額約人民幣30,645,000元（二零零六年：人民幣43,206,000元）。

As at 31 December 2007, the Group's capital commitments amounted to approximately RMB103,859,000 (as at 31 December 2006: RMB43,865,000), which mainly derived from the construction of new bulk medicine workshop for cephalosporin products, multi-functional workshop and environmental protection projects, etc. The Group has sufficient financial and internal resources to bear the capital expenditure.

During 2007, the Group has incorporated Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. to fulfill the Group's future demand of pharmaceutical chemical intermediates. In addition, the Group acquired 100% interest of a pharmaceutical trading company in Guangdong from an independent third party at RMB630,000 and has renamed as Guangdong Dawnrays Pharmaceutical Co., Ltd. after acquisition. Moreover, Dawnrays International Company Ltd. has been incorporated in Hong Kong for the group reorganization and management in future. Save as disclosed above and the investment in the subsidiaries, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies during the year.

### FOREIGN EXCHANGE AND TREASURY POLICIES

As the Group's substantial business activities, assets and liabilities are calculated in Renminbi, the risk derived from the foreign exchange to the Group is not high. The treasury policy of the Group is to manage any risk of foreign exchange (if any) only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange market, and may hedge against foreign currency risk with foreign exchange forward contracts if necessary.

### SEGMENT INFORMATION

The Group's turnover and profit were mainly derived from the sale of medicines by the Mainland China subsidiaries to customers in the Mainland China. The principal assets employed by the Group are located in the PRC. Accordingly, no segment analysis by business or geographical segment is provided.

### STAFF AND REMUNERATION POLICY

As at 31 December 2007, the Group employed approximately 1,570 employees and the total remuneration was approximately RMB53,248,000 (2006: RMB46,567,000). The Group regards high performance employees as the most valuable assets and truly understands the importance of attracting, training and retaining capable people. Therefore, apart from the references of market salary index, the remuneration policy is also based on individual qualifications and performance. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

於二零零七年十二月三十一日，本集團的資本開支承擔約人民幣103,859,000元(於二零零六年十二月三十一日：人民幣43,865,000元)，主要涉及頭孢原料藥車間的建設、多功能車間的建設及環境保護專案等方面。本集團有充足的財政資源，內部資源足以支付其資本開支。

於二零零七年，本集團投資成立東瑞(南通)醫藥科技有限公司以配合本集團的醫藥化工中間體未來需求；另以人民幣630,000元於廣東向第三者收購一間醫藥貿易公司100%權益並已更名為廣東東瑞藥業有限公司。此外亦於香港成立東瑞國際股份有限公司備作日後本集團架構重整及管理。除上述披露及投資附屬公司外，年內本集團並無對外作出重大投資、購入或出售附屬公司及聯營公司。

### 外幣及庫務政策

由於本集團大部份業務交易、資產、負債均主要以人民幣結算，故本集團所承受的外匯風險不大。本集團的庫務政策為只會在外匯風險(如有)對本集團有潛在重大影響時進行管理。本集團將繼續監察其外匯狀況，並於有需要時以外匯遠期合約對沖外匯風險。

### 分類資料

本集團的營業額及溢利主要來自中國大陸附屬公司向中國大陸的客戶銷售藥物。本集團的主要資產均位於中國大陸。因此，並無提供業務及地區分類分析。

### 僱員及薪酬政策

於二零零七年十二月三十一日，本集團約有1,570名僱員，年內員工費用總額約為人民幣53,248,000元(二零零六年：人民幣46,567,000元)。本集團視優秀員工為公司的寶貴資產，深明吸納、培訓及挽留人才的重要性。因此薪酬政策除參考市場水平，亦會按個別員工的資歷及表現而制定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。

# Management Discussion and Analysis

## 管理層討論及分析

### CHARGE ON ASSETS

As at 31 December 2007, no asset of the Company was pledged to banks to obtain credit facilities (as at 31 December 2006: Nil).

### CONTINGENT LIABILITIES

As at 31 December 2007, the Group had no material contingent liabilities (as at 31 December 2006: Nil).

### PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with capital commitments under the section "Liquidity and Financial Resources", the Group does not have any plan for material investments or acquisition of capital assets.

### 資產抵押

於二零零七年十二月三十一日，本集團無任何資產抵押予銀行，以取得信貸額度（於二零零六年十二月三十一日：無）。

### 或有負債

於二零零七年十二月三十一日，本集團並無重大或有負債（於二零零六年十二月三十一日：無）。

### 未來作重大投資及預期融資來源

除於上述「流動資金及財政資源」一節所載有關資本開支承擔所披露者外，本集團目前並無任何未來重大投資計劃或購入資本資產計劃。

The board of Directors (the “Board”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) believes that corporate governance is essential to the success of the Company and its subsidiaries (collectively referred to as the “Group”). Good corporate governance can safeguard the interests of all shareholders and enhance corporate value. Therefore, the Board has adopted various measures to ensure that a high standard of corporate governance is maintained.

In the opinion of the Directors, the Company has complied with all code provisions set out in the Code on Corporate Governance Practices (the “Code on CGP”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the year ended 31 December 2007.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of all Directors, the Company confirms that all the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the 2007 annual report.

### THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group’s businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to the board committees. Further details of these committees are set out in this report.

The Board had 5 regular scheduled meetings for the year ended 31 December 2007 to consider, among other things, reviewing and approving the interim and annual results of the Group, overall group strategy, annual budgets, approval of major capital transactions and other significant operational and financial matters. During the year, ad-hoc meetings were convened when circumstance required such as approval of change in Board members and the remuneration policy of Directors.

東瑞製葯(控股)有限公司(「本公司」)之董事會(「董事會」)深信企業管治為本公司及其附屬公司(統稱「本集團」)成功的關鍵,良好的企業管治能保障全體股東權益及提升企業價值,因此董事會已採取各項措施,以確保維持高標準的企業管治。

董事認為,於截至二零零七年十二月三十一日止年度,本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四之企業管治常規守則(「企業管治守則」)內所載之有關守則條文規定。

### 董事進行證券交易

本公司已採納上市規則附錄十的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的行為守則。根據對所有董事作出的特定查詢後,本公司確認所有董事於二零零七年年報覆蓋的會計期內一直遵守標準守則所規定的準則。

### 董事會

董事會負責領導及監控本公司,並負責監管本集團之業務、策略方針及表現。董事會亦轉授權力及責任予管理層,以管理本集團。此外,董事會亦已將各種職責分派至董事會轄下委員會。該等委員會之詳情載於本報告內。

董事會於截至二零零七年十二月三十一日止年度內已舉行五次定期會議,以考慮(其中包括)審閱及批准本集團中期及全年業績、整體企業策略、年度預算、批准重大資本交易及其他重大營運及財務事宜。亦於情況需要時例如考慮及批准董事會成員變動和董事薪酬政策召開特別會議。

# Corporate Governance Report

## 企業管治報告

Details of the attendance of Directors at these regular Board meetings and at three other board committees' meetings (the Audit Committee, the Nomination Committee and the Remuneration Committee) during the year 2007 are set out in the following table:

於二零零七年，各董事於定期董事會會議及另外三個董事委員會會議(審核委員會、提名委員會及薪酬委員會)的出席詳情列載於下表：

Name of Directors	董事姓名	No. of meetings attended/held			
		會議出席次數/舉行次數			
		Board	Audit Committee	Nomination Committee	Remuneration Committee
		董事會	審核委員會	提名委員會	薪酬委員會
<i>Executive Directors</i>					
Ms. Li Kei Ling (Chairman)	李其玲女士(主席)	5/5		2/2	3/3
Mr. Hung Yung Lai	熊融禮先生	5/5			
Mr. Li Tung Ming	李東明先生	5/5			
Mr. Xu Kehan (Resigned on 18 March 2007)	許克寒先生 (於二零零七年三月十八日辭任)	0/0			
Mr. Gao Yi (Appointed on 1 January 2007)	高毅先生 (於二零零七年一月一日獲委任)	5/5			
<i>Non-executive Director</i>					
Mr. Leung Hong Man	梁康民先生	5/5			
<i>Independent Non-executive Directors</i>					
Mr. Pan Xue Tian	潘學田先生	5/5	4/5	2/2	3/3
Mr. Lee Cheuk Yin Dannis (Resigned on 10 January 2007)	李卓然先生 (於二零零七年一月十日辭任)	0/0	0/0	0/0	0/0
Mr. Choi Tat Ying Jacky	蔡達英先生	5/5	5/5	2/2	3/3
Mr. Sik Siu Kwan (Appointed on 10 January 2007)	薛兆坤先生 (於二零零七年一月十日獲委任)	5/5	5/5	2/2	3/3

At least 14 days notice of regular board meeting is given to all Directors. The agenda and board papers are sent to the Directors at least 3 days before the meetings of the Board and board committees so that the Directors have the time to review the documents. Directors can include matters for discussion in the agenda if the need arises. Minutes of meetings of the Board and board committees are recorded in sufficient details that matters considered and decisions reached. The draft and final versions of the minutes will be sent to Directors within a reasonable time after the meetings. Minutes of meetings of the Board and board committees are kept by the company secretary of the Company and open for inspection on reasonable notice by any Director.

董事會定期會議的通告於會議舉行最少十四天前發出予各董事。董事會及其轄下委員會會議的議程及相關會議文件，至少在每次會議三天前送交予各董事，使各董事有時間審閱該等文件。如有需要，董事可在議程中加插欲討論的事項。董事會及其轄下委員會的會議記錄均詳盡記錄會議上考慮事項及達致的決定，並於會議後合理時間內把初稿及最終定稿發送給董事。董事會及轄下委員會會議記錄由本公司公司秘書存置，並於任何董事發出合理通知時供公開查閱。

All Directors are entitled to have unrestricted access to the advice and service of the company secretary with a view to ensuring that board procedures, and all applicable rules and regulations are followed. Upon reasonable request and appropriate circumstances, Directors can seek independent professional advice to assist them to discharge their duties, at the Company's expenses.

所有董事均有權取得公司秘書的意見和服務，以確保董事會程序及所有適用規則及規例均獲得遵守；根據合理要求並在適當情況下，董事可尋求獨立專業意見，以妥善履行彼等之職責，費用由本公司支付。

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board had determined to be material, the matter will be dealt with by holding a board meeting with the presence of disinterested Independent Non-executive Directors or a meeting of a board committee set up for that purpose pursuant to a resolution passed in a board meeting.

倘董事會認為主要股東或董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，將以在該事項中本身沒有重大利益的獨立非執行董事出席的董事會議或根據董事會會議通過之決議案就此而成立之董事委員會會議處理。

### BOARD COMPOSITION

The Board currently comprises eight Directors, of whom four are Executive Directors, one is Non-executive Director and three are Independent Non-executive Directors. The composition meets the recommended practice under the Code on CGP for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors. The three Independent Non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting, business management and pharmaceutical industry respectively. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. The biographies of the Directors are set out in pages 19 to 20 to the 2007 annual report, which demonstrates the skills, expertise, experience and qualifications.

The Company has received annual confirmation of independence from the three Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-executive Directors are independent within the definition of the Listing Rules.

Ms. Li Kei Ling, the Chairman of the Company and Mr. Hung Yung Lai, one of the Executive Director, are directors and ultimate shareholders of several companies incorporated in Hong Kong and British Virgin Islands. In addition, both Ms. Li and Mr. Hung are directors of one private company registered in China.

Save as disclosed above, the Board members have no financial, business, family or other material/relevant relationships with each other. The balanced Board composition is formed to ensure strong independence exists across the Board which can effectively exercise independent judgement.

### APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

The nomination committee will consider the appointment of new Directors first by reviewing the profiles of the candidates and making recommendations to the Board. New Directors appointed by the Board during the year to fill a casual vacancy shall retire and submit themselves for re-election at the first general meeting immediately followed their appointment.

Non-executive Directors are appointed for a fixed term of two years and are subject to retirement by rotation and re-election by shareholders at annual general meeting ("AGM") in accordance with the Company's articles of association (the "Articles").

At each AGM, one-third of the Directors are required to retire from office according to the Company's Articles. As the Company has eight Directors, one-third of them shall retire subject to rotation, and barring unforeseen resignation/retirement during a year, each Director is effectively appointed for an average term of not more than three years. Ms. Li Kei Ling, Mr. Hung Yung Lai and Mr. Leung Hong Man being the longest in the office, will retire at the forthcoming AGM.

### 董事會組成

董事會現由八名董事組成，其中四位成員為執行董事、一位為非執行董事及三位為獨立非執行董事。其組成情況符合守則所推薦董事會成員最少須有三分之一為獨立非執行董事之做法，三位獨立非執行董事極具才幹，在會計、工商管理及製藥業各範疇擁有學術及專業資歷；加上他們在其他公司擔任高層職位所累積的經驗，對董事會有效地履行其職責上提供強大的支持。各董事履歷載於二零零七年年報第19至20頁，當中載列各董事之技能、專業知識、經驗及資格。

本公司已接獲該三名獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。董事會已評估彼等之獨立性，並確定全體獨立非執行董事均屬上市規則所界定之獨立人士。

董事會主席李其玲女士及其中一位執行董事熊融禮先生為數家於香港及英屬處女群島註冊成立的私人公司的董事及最終股東。此外，李女士及熊先生為一家於中國註冊的民營公司董事。

除上文披露外，董事會成員間並無任何財務、業務、家族或其他重大／相關關係。董事會以如此均衡之架構組成，目的在確保整個董事會擁有穩固之獨立性，能夠有效地作出獨立判斷。

### 委任、重選及罷免董事

新董事之委任先經提名委員會考慮，審閱候選人之履歷後向董事會作出建議。年內獲董事會委任填補臨時空缺之新董事須退任並於緊隨彼等獲委任後之股東大會上膺選連任。

非執行董事的固定委任年期為兩年，並須根據本公司組織章程細則（「組織章程細則」）於股東週年大會（「股東週年大會」）上輪值告退並重選連任。

根據組織章程細則於每屆股東週年大會上，三分之一董事須退任。由於共有八名董事，當中三分之一須輪席告退，因此在排除年內出現不可預見的辭任／退任的情況下，每名董事的有效任期平均為不超過三年。李其玲女士、熊融禮先生及梁康民先生為最長任期者，將於應屆股東週年大會上告退。所有退任董事均符合資格重選連任。



### RESPONSIBILITIES OF DIRECTORS

Every newly appointed Director will receive a comprehensive, formal and tailored induction on his first appointment to have a proper understanding of the operations and business of the Group and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors endeavour to give sufficient time and attention to the Group's affairs and are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

The Independent Non-executive Directors take an active role in Board meetings, contribute to the development of strategies and policies and make sound and independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also members of various board committees and scrutinize the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

### SUPPLY OF AND ACCESS TO INFORMATION

The management has the obligation to supply the Board and board committees with adequate information in a timely manner to enable it to make informed decisions on matters placed before it. Where any Director requires more information than is volunteered by the management, each Director has separate and independent access to the Group's management to make further enquires if necessary. Where queries are raised by Directors, management will respond as promptly and fully as possible.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer (the "CEO") are separated and are performed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual. The Board has appointed a Chairman, Ms. Li Kei Ling, who has executive responsibilities and provides leadership to the Board such as ensuring all Directors are properly briefed on issues arising at Board meetings and receive complete and reliable information in a timely manner so that the Board works effectively and discharges its responsibilities.

Mr. Gao Yi, an Executive Director and the CEO, is delegated with the authority and responsibility for managing the Group's business operation and implementing the development strategies. Mr. Gao will present the quarterly results to the Board. Variances analysis between the actual performances and the budget targets are explained in the meeting. This helps the Board to monitor the Group's business operations and to amend the targets when required. He will periodically present the updated market situation, long term strategies and objectives of the Group at the Board meeting to ensure all Directors are aware of the targets the Group achieves. In addition, Mr. Gao will also present the coming year budget summary to the Board for approval at the Board meeting held in December each year.

### 董事之責任

每位新委任董事均會在首次接受委任時獲得全面、正式兼特為其而設的就任須知，以對本集團之營運及業務有適當理解，以及完全知悉彼在法規及普通法、上市規則、適用之法律規定及其他監管規定以及本公司之業務及管治政策下之職責。董事將致力付出足夠時間及精神以處理本公司事務，並獲持續更新有關法律及規管變更、業務及市場變動以及本集團之策略發展，以便履行彼等之職責。

獨立非執行董事在董事會會議上擔當活躍角色，可為制訂策略及政策作出貢獻，並就策略、政策、表現、問責、資源、重大委任及行為準則事宜作出可靠及獨立之判斷。彼等會於潛在利益衝突出現時發揮牽頭引導作用。彼等亦出任多個董事會轄下委員會之成員，審查本集團在實現議定企業目標及指標時之整體表現，並監察表現之呈報。

### 資料之提供及獲取

管理層有責任向董事會及轄下委員會及時提供充足之資料，以供董事會對提呈事項作出知情決定。倘有任何董事要求獲得除管理層自願提供之資料以外之其他資料，董事於必要時可透過不同及獨立途徑接觸管理層，以作出進一步諮詢。若有董事提出問題，管理層將儘快作出全面的回應。

### 主席及總裁

本公司主席與總裁（「總裁」）的角色是分開的，由兩位獨立人士承擔，他們之間沒有任何關係，以確保權力和授權分布均衡，不致工作責任僅集中於一位人士。董事會委任李其玲女士為主席，彼負有執行責任及領導董事會，如確保董事會會議上所有董事均適當知悉當前的事項和及時收到完備可靠的資訊，使董事會有效地運作和履行其職責。

高毅先生為執行董事兼總裁，獲授予權力和責任管理本集團業務營運及推行發展策略。高先生將每一季度向董事會提呈季度業績，會上闡述實際表現與預算目標有所差異之分析，此舉有助董事會監控本集團之業務營運及於必要時修訂目標。彼將定期於董事會提呈本集團經更新之市場情況、長期策略及目標，此舉旨在保證所有董事獲悉本集團所追求之目標。此外，高先生亦於每年十二月份召開之董事會會議上向董事會提呈下一年度之預算概要，尋求董事會批准。



### ACCOUNTABILITY AND AUDIT

The management provides explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements, and announcements to shareholders. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the accounts.

The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, other price-sensitive announcement and other financial disclosures required under the Listing Rules, and reports to the regulators as well as the information required to be disclosed pursuant to the statutory requirements.

### INTERNAL CONTROLS

The Board has delegated to management the implementation of internal control system as well as the review of relevant financial, operational and compliance controls, and risk management procedures.

The internal control system has been designed to safeguard the Group's assets against loss and misappropriation; to maintain proper accounting records for producing reliable financial information; to provide reasonable, but not absolute assurance against material fraud and errors. The Group has clearly defined the authorities and key responsibilities of each business and operational unit to ensure adequate checks and balances. Policies are established to ensure compliance with applicable laws, regulations, and industry standards. Rules and guidelines are set to control treasury activities, financial and management reporting, human resources functions and computer systems' operations. Systems and procedures are also established to identify, measure, manage and control different risks arising from different business and functional activities.

The Board monitors and reviews the adequacy and effectiveness of its internal control systems through a programme of internal audit. The internal audit function is set up by the Company to review the major operational and financial control of the Group in compliance with the established processes and standards on a continuing basis and aims to cover all major operations of the Group on a rotational basis. The internal audit team reports directly to the Chairman of the Board and the Audit Committee.

Based on the assessments made by the internal audit team in 2007, the Board and the audit committee of the Company considered that the key areas of the Group's internal control system are reasonably implemented with room for improvement. The Group shall use its endeavor to further improve the Group's internal control system.

### 問責及核數

管理層向董事會提供有關解釋及資料，令董事會可對提呈董事會批准之財務及其他資料作出知情評估。

董事確須負責為每一財政年度編製能真實及公平地反映本集團業務狀況之財務報告及向股東提呈中期及年度財務報表及公佈。董事會並不知悉任何重大不確定因素會對本集團的持續經營能力投下重大疑惑，因此，董事會仍然採用持續經營基準編製賬目。

董事會確認，其有責任在本公司年度報表及中期報告、其他涉及股價敏感資料的通告及根據上市規則規定須予披露的其他財務資料、以及向監管者提交的報告書以至根據法例規定須予披露的資料，提供平衡、清晰及易於理解之評估。

### 內部監控

董事會授權管理層推行內部監控系統，並檢討有關財務、營運與監管控制及風險管理之程序。

內部監控系統是為保障本集團資產免受損失或被盜用；妥善保存會計記錄以提供可靠的財務資料；就欺詐及重大錯誤合理地作出防範，惟不能確保其絕對不會發生。本集團已清楚界定各業務及營運部門的權責，以確保有效之制衡。制訂政策以確保遵照有關法律、規例和生產製造標準；訂立規則及指引以監控本集團庫務事宜、財務與管理匯報、人力資源功能及電腦系統之運作；制定系統及程序以識別、量度、管理及控制各業務及營運部門的各種風險。

董事會透過內部稽核程序監察及檢討其內部監控系統是否足夠及有效。本公司設立內部稽核功能以持續基準審閱本集團之主要營運及財務控制，及旨在以循環基準涵蓋本集團之所有主要營運。該內部稽核小組直接向董事會主席及審核委員會匯報。

按照本集團內部稽核於二零零七年作出之評估，審核委員會及董事會認為，本集團內部監控制度之主要範疇已獲合理推行，惟仍有改善空間。本集團將盡最大努力，務求進一步改善本集團之內部監控制度。

### DELEGATION BY THE BOARD

The day-to-day management of the Company is delegated to the management by the Board, with division heads responsible for individual department's daily operations.

Major corporate matters that are specifically delegated by the Board to the management include the preparation of interim and annual reports and announcements for the Board's approval before publishing, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

### BOARD COMMITTEES

The Board has established the nomination committee, remuneration committee and audit committee. The committees' terms of references defined their functions and responsibilities have posted on the Company's website.

#### Nomination Committee

As at 31 December 2007, the nomination committee of the Company (the "Nomination Committee") had Ms. Li Kei Ling as the committee's chairman, and the three Independent Non-executive Directors, Mr. Pan Xue Tian, Mr. Sik Siu Kwan and Mr. Choi Tat Ying Jacky as the committee's members. The Nomination Committee's terms of reference are summarized as follows:

- i) to review the structure, size and composition (including the skills, knowledge and experiences) of the Board on a regular basis and to make recommendation to the Board regarding any proposed changes;
- ii) to identify suitable individual qualified to become Board members; and
- iii) to make recommendation to the Board on relevant matters relating to the appointment or reappointment of Directors if necessary, in particular, candidates who can add value to the management through their contributions in the relevant strategic business areas and which appointments will result on the constitution of strong and diverse Board.

During the year 2007, the Nomination Committee had two meeting to review the competence of the candidate and the renewal of a Director's service contract.

### 董事會權力的轉授

董事會轉授本集團之日常管理權力給管理層，部門主管負責各部門的日常運作。

董事會特別委託管理層執行之主要企業事宜包括籌備中期及年度報告及通告以供董事會於公佈前批核，執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

### 董事會轄下的委員會

董事會成立提名委員會、薪酬委員會及審核委員會。闡明委員會的權力及職責的職權範圍登載於本公司網站上。

#### 提名委員會

於二零零七年十二月三十一日，本公司提名委員會（「提名委員會」）以李其玲女士為委員會主席及三名獨立非執行董事－潘學田先生、薛兆坤先生及蔡達英先生為委員會成員。提名委員會之職權範圍概述如下：

- i) 為定期檢討董事會之架構、人數及組成（包括技術、知識及經驗）；並就任何擬作出之變動向董事會提出建議；
- ii) 物色合資格成為董事會成員之適當人選；及
- iii) 如必要，就委任或重新委任董事之有關事宜向董事會提出推薦建議，尤其是通過在有關策略性業務領域之貢獻為本集團管理增值之候選人，且彼等之委任將可產生一個強大及多元化之董事會。

於二零零七年，提名委員會舉行了二次會議評審候選人的能力及一位非執行董事服務合同的續期。

### REMUNERATION COMMITTEE

As at 31 December 2007, the remuneration committee of the Company (the "Remuneration Committee") had Ms. Li Kei Ling as the committee's chairman, the three Independent Non-executive Directors, Mr. Pan Xue Tian, Mr. Sik Siu Kwan and Mr. Choi Tat Ying Jacky as the committee's members. The Remuneration Committee's terms of reference are summarized as follows:

- i) to ensure that no Director or any of her/his associates is involved in deciding her/his own remuneration; and
- ii) to make recommendations with respect to the remuneration of the Directors and the senior management of the Company for approval by the Board.

The Group's remuneration policy bases on the market practice, the qualification, duties and responsibilities of Directors and employees. In order to attract, retain, and motivate high-performance persons, the Company has adopted a share option scheme in 2003 to reward those participants who contribute to the success of the Group's operations.

Details of the amount of Directors' emoluments are set out in note 7 to the financial statements and the details of the 2003 Share Option Scheme are set out in note 29 to the financial statements.

The Remuneration Committee had three meetings in 2007 to review the salaries of the Directors.

### AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises the three Independent Non-executive Directors of the Company who among themselves possess a wealth of management experience in the accounting profession, commercial and pharmaceutical sectors.

As at 31 December 2007, the Audit Committee's chairman was Mr. Sik Siu Kwan, Mr. Pan Xue Tian and Mr. Choi Tat Ying Jacky were the committee's members. The Audit Committee's terms of reference are summarized as follows:

- i) to consider and recommend the independence, remuneration, appointment, re-appointment and removal of external auditors;
- ii) to review financial information; and
- iii) to oversee financial reporting system and internal control procedures.

During the year 2007, the Audit Committee had five meetings to discuss internal control, financial reporting matters and any areas of concerns during the audits. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

### 薪酬委員會

於二零零七年十二月三十一日，本公司薪酬委員（「薪酬委員會」）以李其玲女士為委員會主席，三名獨立非執行董事－薛兆坤先生、李卓然先生及蔡達英先生為委員會成員。薪酬委員會職權範圍概述如下：

- i) 確保任何董事或其任何聯繫人不得自行釐定薪酬；及
- ii) 就本公司執行董事及高級管理人員之薪酬提供推薦意見，以尋求董事會批准。

本集團的薪酬政策是參照市場慣例、董事及員工的資歷、職務及責任釐訂，為招攬、挽留及激勵表現稱職人員，本公司於二零零三年採納購股權計劃，從而對為本集團業務成功作出貢獻之參與者提供獎勵。

董事酬金之詳情載於財務報表附註7，而二零零三年購股權計劃之詳情載於財務報表附註29。

於二零零七年，薪酬委員會舉行了三次會議以審閱執行董事的薪酬。

### 審核委員會

本公司遵照上市規則第3.21條，以審閱及監管本集團財務申報過程及內部監控成立審核委員會（「審核委員會」）。審核委員會包括三名本公司獨立非執行董事。彼等分別於會計專業、商業及製藥行業具有豐富之管理經驗。

於二零零七年十二月三十一日，審核委員會主席為薛兆坤先生，潘學田先生及蔡達英先生為委員會成員。審核委員會的職權範圍概述如下：

- i) 就外聘核數師的獨立性、酬金、委任、重新委任及罷免作出考慮並向董事會提供建議；
- ii) 審閱財務資料；及
- iii) 監管財務申報制度及內部監控程序。

於二零零七年，審核委員會開會五次討論內部監控、財務申報事宜及審計過程中之任何問題。審核委員會於審閱本公司之中期及年度報告時，不僅注意會計政策及慣例變動之影響，亦兼顧須遵守的會計政策、上市規則及法律之規定。

The audited financial statements of the Company for the year ended 31 December 2007 have been reviewed by the Audit Committee before recommending them to the Board for approval.

### AUDITORS' REMUNERATION

Ernst & Young has been reappointed as the Company's external auditors at the AGM on 15 May 2007 until the conclusion of the next AGM. During the year 2007, the remuneration paid to the Company's external auditors for audit service amounted to HK\$800,000.

### COMMUNICATIONS WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders. The Company establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press release. Such information is also available on the Company's website.

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board attends the AGM and arranges the chairman of the committees or in the absence of the chairman of such committees, another member of the committees to be available to answer questions at the AGM. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors.

### VOTING BY POLL

Details of the poll voting procedures and the rights of shareholders to demand a poll in compliance with the Articles and the Listing Rules 13.39(3) are included in the circular to shareholders dispatched together with the annual report.

The chairman explains the procedure for demanding and conducting a poll again at the commencement of the AGM.

The Company will ensure that votes cast including proxy votes are properly counted and recorded.

本公司截至二零零七年十二月三十一日止年度經審核的財務報表於提呈董事會批准前經由審核委員會審閱。

### 核數師酬金

安永會計師事務所於本公司二零零七年五月十五日股東週年大會上獲續聘為本公司之外聘核數師直至應屆股東週年大會為止。於二零零七年，支付給本公司之外聘核數師以付核數服務酬金共港幣800,000元。

### 與股東的溝通

董事會認同與所有股東有良好的溝通至為重要，本公司設立不同渠道保持與股東溝通，包括刊印年度報告、中期報告及新聞稿，該等資料亦登載於本公司網站。

本公司的股東週年大會提供寶貴場合讓董事會直接與股東溝通。董事會主席出席股東週年大會，並安排董事會轄下委員會的主席，或在該等委員會的主席缺席時由另一名委員會成員在股東週年大會上回答提問。在股東大會上，每項實際獨立的事宜均會個別提出決議案，包括選舉董事。

### 以投票方式表決

附於年報寄予股東之通函，詳載了投票表決之程序及股東可根據組織章程細則及上市條例第13.39(3)條要求以投票方式表決之權利。

主席在週年股東週年大會開始時再次解釋要求及舉行票選的程序。

本公司將確保所有票數，包括委任代表投票的票數，均適當點算及記錄在案。

### EXECUTIVE DIRECTORS

**Ms. LI, Kei Ling**, aged 59, is an Executive Director and the Chairman of the Company, and one of the founders of the Group. Ms. Li founded the Group in December 1995 and was appointed to the Board in October 2002. Ms. Li is also the Chairman of Dawnrays International Co., Ltd., Dawnrays International Co., Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Shanghai Dawnrays Chemical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. She is the Chairman of the Remuneration Committee and Nomination Committee. Ms. Li has over twenty years of experience in corporate management, strategic planning, business operations and finance, in particular for pharmaceutical enterprises in the PRC. She is responsible for supervising the strategic management decisions to ensure good corporate governance practices and business policies are established, and executing the overall developmental strategies of the Group.

**Mr. HUNG, Yung Lai**, aged 63, is an Executive Director of the Company and one of the founders of the Group. Mr. Hung founded the Group in December 1995 and was appointed to the Board in October 2002. Mr. Hung also holds directorship in Dawnrays International Co., Ltd., Dawnrays International Co., Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Shanghai Dawnrays Chemical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Hung holds a degree from 上海音樂學院 (Shanghai Conservatory of Music). He has over twenty years of experience in corporate management and corporate development, and has participated in founding and managing of pharmaceutical and high-tech enterprises. Mr. Hung is an executive director and the chairman of Sing Lee Software (Group) Ltd., a company listed on the Growth Enterprise Market of the Stock Exchange.

**Mr. LI, Tung Ming**, aged 59, is an Executive Director of the Company. Mr. Li joined the Group in April 2000 and was appointed to the Board in January 2004. Mr. Li also holds directorship in Suzhou Dawnrays Pharmaceutical Co., Ltd., Shanghai Dawnrays Chemical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Li is also the supervisor of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd, a subsidiary of the Company. Mr. Li has over twenty years of experience in the pharmaceutical industry in the PRC, and began his career in product development, promotion, sales and corporate management in the pharmaceutical market in the PRC in 1980. Mr. Li has participated in new product development of the Group and is responsible for liaison with the Group's academic network of medical experts and academic advisers.

**Mr. GAO, Yi**, aged 54, is an Executive Director and the Chief Executive Officer of the Company. He joined the Group in July 2003 and was the Executive Vice President of the Group. Mr. Gao was appointed to the Board in January 2007. He also holds directorship in Suzhou Dawnrays Pharmaceutical Co., Ltd., Shanghai Dawnrays Chemical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. Mr. Gao is responsible for the daily business operations and management of the Group. From 1994 to 2003, Mr. Gao was the deputy general manager and general manager of Hebei Union Pharmaceutical Co., Ltd. and Zhuhai Economic Zone Li Kang Pharmaceuticals Co., Ltd. respectively each for five years.

### 執行董事

**李其玲女士**，59歲，本公司執行董事兼主席及本集團創辦人之一。李女士於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。李女士亦是本公司之附屬公司包括東瑞國際有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、上海東瑞化工有限公司、蘇州東瑞化工有限公司、東瑞(南通)醫藥科技有限公司及東瑞藥業(香港)有限公司之主席，彼也是薪酬委員會及提名委員會之主席。李女士於企業管理、策略規劃、業務營運及財務等方面，尤其在中國製藥企業的上述有關方面，擁有逾二十年經驗。彼負責監督管理決策之執行，確保制定良好的企業管治常規和經營方針，及制定集團的整體發展策略。

**熊融禮先生**，63歲，本公司執行董事及本集團創辦人之一。熊先生於一九九五年十二月創立本集團並於二零零二年十月被委任為董事。熊先生亦於本公司之附屬公司包括東瑞國際有限公司、東瑞國際股份有限公司、蘇州東瑞製藥有限公司、上海東瑞化工有限公司、蘇州東瑞化工有限公司、東瑞(南通)醫藥科技有限公司及東瑞藥業(香港)有限公司擔任董事職務。熊先生持有上海音樂學院的學位。彼於企業管理與公司發展方面擁有逾二十年經驗，並曾創立及管理製藥及高科技企業。熊先生是聯交所創業板上市公司新利軟件(集團)股份有限公司的執行董事兼主席。

**李東明先生**，59歲，本公司執行董事。李先生於二零零零年四月加盟本集團，及於二零零四年一月被委任為董事。李先生亦於本公司之附屬公司包括蘇州東瑞製藥有限公司、上海東瑞化工有限公司、蘇州東瑞化工有限公司及東瑞藥業(香港)有限公司擔任董事職務。李先生亦是本公司之附屬公司東瑞(南通)醫藥科技有限公司的監事。李先生於一九八零年開始從事中國醫藥市場的產品開發、推廣、銷售及企業的管理工作，擁有逾二十年經驗。李先生參與本集團新產品的開發及負責本集團醫學專家和醫藥學術顧問之學術網路聯繫工作。

**高毅先生**，54歲，本公司執行董事兼總裁，彼於二零零三年七月加盟本集團擔任本集團常務副總裁，並於二零零七年一月被委任為董事。彼亦於本公司之附屬公司包括蘇州東瑞製藥有限公司、上海東瑞化工有限公司、蘇州東瑞化工有限公司及東瑞藥業(香港)有限公司擔任董事職務。高先生負責本集團日常業務的營運及管理工作。高先生於一九九四年至二零零三年期間分別在河北聯合製藥有限公司和珠海經濟特區麗康醫藥有限公司任副總經理及總經理各五年。



# Directors' and Senior Management's Biographies

## 董事及高級管理層履歷

### NON-EXECUTIVE DIRECTOR

**Mr. LEUNG, Hong Man**, aged 33, is a Non-executive Director of the Company. He joined the Group and was appointed to the Board in November 2005. Mr. Leung has started his business career in knitting machinery since 1993. He has over 10 years' experience in sales and management positions and over 6 years' experience in investment management. Mr. Leung currently is the shareholder and the director of Toyo International Investment Ltd., of which has been one of the substantial shareholders (as required to be disclosed under Part XV of the Securities and Futures Ordinance) of the Company since September 2005.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. PAN, Xue Tian**, aged 71, is an Independent Non-executive Director of the Company. Mr. Pan joined the Group in June 2003. He is a member of the Remuneration Committee, the Audit Committee and the Nomination Committee of the Company. Mr. Pan is the vice president of 中國醫院協會 (Chinese Hospital Association) and the executive vice president of 中國保健協會 (China Health Care Association). Mr. Pan has extensive experience in drug administration and supervision, medical hygiene and hospital management, and has assumed various senior management positions in the Ministry of Health of the PRC. He graduated from the medicine faculty of 中國大連醫學院 (Dalian Medical University of the PRC).

**Mr. CHOI, Tat Ying Jacky**, aged 39, is an Independent Non-executive Director of the Company. Mr. Choi joined the Group in September 2004. He is a member of the Remuneration Committee, the Audit Committee and the Nomination Committee of the Company. Mr. Choi has extensive experience in financial and treasury management, corporate finance, investment and audit. He earned his Bachelor degree of Business Administration from Hong Kong Baptist University with a first class honours in 1990. Mr. Choi is a practising member of the Hong Kong Institute of Certified Public Accountants and currently serving as the Deputy President of AIG Retail Bank Public Company Limited in Thailand, which he has served as director since October 2007. He is also a director of AIG Finance (Hong Kong) Limited and an independent non-executive director of Norstar Founders Group Ltd., a company listed on the Main Board of the Stock Exchange.

**Mr. SIK, Siu Kwan**, aged 40, is an Independent Non-executive Director of the Company. Mr. Sik joined the Group in January 2007. He is also the Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of the Company respectively. Mr. Sik has more than fifteen years of experience in investment banking and finance. He has held senior positions with a number of major international investment banks, as well as a Hong Kong operation of a core securities and investment banking operation of a state-owned PRC bank, responsible for business development and regional business operations. Mr. Sik achieved first class honours in his Bachelor's degree in engineering from Oxford University in 1989 and is a member of The Institute of Chartered Accountants in England and Wales. He is an independent non-executive director of China Glass Holdings Limited, a company listed on the Stock Exchange.

### 非執行董事

**梁康民先生**，33歲，本公司非執行董事，彼於二零零五年十一月加入本集團及被委任為董事。梁先生自一九九三年開展針織機械事業，在銷售及管理工作方面累積超過十年經驗，以及逾六年的投資經驗。梁先生現時為東海國際投資有限公司(自二零零五年九月起成為本公司根據證券及期貨條例第XV部需要披露的主要股東之一)的股東及董事。

### 獨立非執行董事

**潘學田先生**，71歲，本公司獨立非執行董事。潘先生於二零零三年六月加盟本集團。彼現為本公司薪酬委員會、審核委員會及提名委員會成員。潘先生為中國醫院協會副會長及中國保健協會的常務副理事長。潘先生在藥物管理及監管、醫療衛生及醫院管理方面擁有豐富經驗。潘先生曾於中國衛生部擔任多個高級管理層職位。潘先生畢業於中國大連醫學院醫學系。

**蔡達英先生**，39歲，本公司獨立非執行董事，蔡先生於二零零四年九月加盟本集團。彼現為本公司薪酬委員會、審核委員會及提名委員會成員。蔡先生於財務及財資管理、公司融資、投資及核數方面擁有豐富經驗。蔡先生於一九九零年在香港浸會大學取得工商管理學士一級榮譽學位。蔡先生是香港會計師公會執業會員，現為泰國AIG Retail Bank Public Company Limited副總裁，並於二零零七年十月起擔任該公司董事。蔡先生亦是美國國際信貸(香港)有限公司董事及聯交所主板上市公司北泰創業集團有限公司的獨立非執行董事。

**薛兆坤先生**，40歲，本公司獨立非執行董事，薛先生於二零零七年一月加盟本集團。彼現分別為本公司審核委員會的主席、薪酬委員會及提名委員會的成員。薛先生擁有逾十五年投資銀行及財務經驗。彼曾在多間大型國際投資銀行及在一間中國國有銀行之核心證券及投資銀行營運之香港企業擔任高級職位，負責業務發展及地區業務營運。薛先生於一九八九年獲牛津大學工程系一級榮譽學士學位。彼亦為英格蘭及威爾斯特許會計師公會會員。薛先生現為聯交所上市公司中國玻璃控股有限公司的獨立非執行董事。

### STRATEGIC ADVISER

**Mr. XU, Kehan**, aged 35, is a Strategic Adviser of the Company. He joined the Group in November 2003 and was an Executive Director and the Finance Director of the Company between March 2004 and March 2007. Mr. Xu holds directorship in Dawnrays Pharma (Hong Kong) Ltd., a subsidiary of the Company. Mr. Xu is responsible for advising corporate investment policies and conducting strategic research for the Group. He holds a Master of Business Administration from the University of Miami, USA with specialization in investment. Mr. Xu is currently a doctoral candidate specializing in strategic management and international business/policies.

### ACADEMIC ADVISERS

**Mr. ZHONG, Nan Shan**, was invited to join our Group as a Senior Academic Adviser in April 2004. He graduated from the 北京大學醫學部 (Beijing Medical University), and pursued his studies in the Respiratory Medicine Unit of the Royal Infirmary, University of Edinburgh and the Department of Respiratory Medicine of the St. Bartholomew's Hospital, University of London. He is currently the academican of the Department of Medicine of The Chinese Academy of Engineering, the president of Chinese Medical Association, the professor of medicine in Guangzhou Medical College, the president of Guangzhou Association of Science and Technology and the director of Guangzhou Institute of Respiratory Disease. He has been a medical adviser of the World Health Organisation Advisory Panel on Chronic Respiratory Disease since 2000. He has written 4 books and published over 120 papers in the last decade. After the battle of Severe Acute Respiratory Syndrome ("SARS"), he was invited to be the lecturer in the annual meeting of American Thoracic Society – "Management of SARS in China" in Seattle, the United States.

**Mr. MEI, Hua**, was invited to join our Group as a Senior Academic Adviser in April 2004. He graduated from the 廣州華南醫學院 (Guangzhou South China Medical College) and was qualified as the specialist in urology from 北京醫學院附屬第一醫院 (The First Affiliated Hospital of Beijing Medical University) and Massachusetts General Hospital, USA. He has been the adviser and professor of 中山大學附屬第一醫院泌尿外科 (Department of Urology of The First Affiliated Hospital of Sun Yat-sen University) since 1980 and a director of 深圳中山泌尿外科醫院 (Department of Urology of Shenzhen Sun Yat-sen Hospital) since 1986. Since 1991, he has been the adviser for doctoral candidates in the First Affiliated Hospital of Sun Yat-sen University, the committee vice president of 中華醫學會泌尿外科學會 (The Urological Society of Chinese Medical Association) and the committee member of Urological Association of Asia and American Urological Association. Mr. Mei has also written 3 books about urology and surgery.

### 策略顧問

**許克寒先生**，35歲，本公司策略顧問。彼於二零零三年十一月加盟本集團，於二零零四年三月至二零零七年三月期間擔任本公司執行董事及財務董事。許先生為本公司之附屬公司—東瑞藥業(香港)有限公司擔任董事職務。許先生負責為本集團提供企業投資政策建議及進行策略研究工作。彼持有美國邁阿密大學工商管理碩士學位，專業方向為投資。許先生現時為博士候選人，研究方向為策略管理及國際商業／政策。

### 醫葯學術顧問

**鍾南山先生**，於二零零四年四月接受邀請成為本集團高級醫藥學術顧問。鍾先生畢業於北京大學醫學部，曾赴英國愛丁堡皇家呼吸系統醫學院及英國倫敦大學St. Bartholomew's Hospital呼吸系統醫學院進修。鍾南山先生現時為中國工程院院士、中華醫學會會長、廣州醫學院內科教授及廣州市科學技術協會的主席。由二零零零年起，鍾先生已成為聯合國世界衛生組織呼吸疾病醫學顧問，亦是廣州呼吸疾病研究所所長。過去十年來，鍾先生一共撰寫了四本著作及超過一百二十份的有關醫學論文。沙士一疫後，鍾先生被邀請到美國西雅圖，為美國胸肺醫學會年會上的客席講師，發表「中國沙士一疫的管理」。

**梅驊先生**，於二零零四年四月接受邀請成為本集團高級醫藥學術顧問。梅驊先生畢業於廣州華南醫學院，亦取得北京醫學院附屬第一醫院及美國麻省總醫院泌尿外科專科資格。梅先生於一九八零年至今為中山大學附屬第一醫院泌尿外科主任導師及教授，由一九八六年至今為深圳中山泌尿外科醫院院長。一九九一年開始，梅先生於中山大學附屬第一醫院任博士生導師，並擔任中華醫學會泌尿外科學會副主任委員、亞洲泌尿外科學會會員和美國泌尿外科學會委員等職。梅驊先生曾主持撰寫三本關於泌尿外科手術的學術專著。



## Directors' and Senior Management's Biographies 董事及高級管理層履歷

**Ms. LIU, Li Sheng**, was invited to join our Group as a Senior Academic Adviser in May 2005. She obtained a Bachelor degree of Science in Biology from Yenching University, Beijing in 1950, and a Doctor of Medicine from Peking Union Medical College, Beijing in 1954. From 1980 to 1981, she pursued her postdoctoral research in the Cardiovascular Research and Training Centre, University of Alabama at Birmingham. She is currently the professor of medicine in Fu Wai Hospital, Chinese Academy of Medical Sciences in Beijing, the director of Clinical Trials and Research in China and the president of Asian Pacific Society of Hypertension. She has been the president and the honorary president of the Chinese Society of Cardiology since 1988 and the president of the Chinese Hypertension League since 1989. Ms. Liu has also been the vice president of the World Hypertension League and the co-chairperson of the Scientific Steering Committee of Global Health Forum Cardiovascular Disease in Developing Countries, World Health Organization since 1999. In 2006, Ms. Liu has been elected to be the president of the World Hypertension League. She has been the chief editor of the Chinese Journal of Hypertension and the members of a number of editorial boards of journals in cardiology and hypertension.

### SENIOR MANAGEMENT

**Mr. ZHU, Qin Sheng**, aged 55, is the Vice President of the Company, responsible for assisting the Chief Executive Officer in the aspects of Nantong project, administrative management, human resources, logistic management, safety and environmental protection. Mr. Zhu has over twenty-five years' experience in production management, financial management and operations for pharmaceutical enterprises. He was the deputy factory director of 蘇州第三製藥廠 (Suzhou Third Pharmaceutical Factory) before joining the Group in April 1998.

**Mr. LAM, Kam Wah**, aged 54, is the Vice President of the Company. Mr. Lam also holds directorship in Suzhou Dawnrays Pharmaceutical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. He graduated from The Chinese University of Hong Kong with a Bachelor degree in Social Sciences. Mr. Lam joined the Group in December 1995 and he has over fifteen years of experience in pharmaceutical trading and corporate management. Mr. Lam is responsible for the international business of the Group and the daily administration of the Company.

**Mr. YAO, Shi An**, aged 57, is the Vice President of the Company and is responsible for the manufacturing facilities construction planning. Mr. Yao graduated from Beijing Technology and Business University and has accumulated over thirty years of technical and corporate management experience in the chemical and pharmaceutical industries in the PRC. Mr. Yao was an executive director and the executive president of China Pharmaceutical Group Limited, a company listed on the Stock Exchange before joining the Group in July 2006.

**Mr. LI, Jian Xiang**, aged 52, is the Vice President of the Company and the General Manager of Suzhou Dawnrays Chemical Co., Ltd., responsible for assisting the Chief Executive Officer in the aspects of production and sales, production planning and the overall operations of Suzhou Dawnrays Chemical Co., Ltd. Mr. Li has over twenty-five years' experience in production management, engine facilities maintenance and operations for pharmaceutical enterprises. He was the factory director of 蘇州第二製藥廠 (Suzhou Second Pharmaceutical Factory) before joining the Group in April 1998.

**劉力生女士**，於二零零五年五月接受邀請成為本集團高級醫藥學術顧問。劉女士於一九五零年取得北京燕京大學理學學士學位，一九五四年於北京協和醫學院獲博士學位。期後，劉女士於一九八零年至一九八一年期間赴美國伯明翰阿拉巴馬大學心血管研究所從事博士後研究。劉女士現時為中國醫學科學院北京阜外心血管病醫院教授、北京高血壓聯盟研究所所長，及中國衛生部心血管病防治研究中心副主任和亞太高血壓學會主席。自一九八八年起，劉女士擔任中華心血管病學會主任委員及名譽主任委員，自一九八九年，擔任中國高血壓聯盟主席一職；於一九九九年，成為世界高血壓聯盟副主席及世界衛生組織發展中國家心血管病研究執行委員會聯合主席，並於二零零六年被推選為世界高血壓聯盟主席。劉女士一直擔任《中國高血壓》雜誌主編及各地有關心血管和高血壓醫學雜誌的編委。

### 高級管理層

**朱琴生先生**，55歲，本公司副總裁及上海東瑞化工有限公司總經理，負責協助總裁有關南通項目、行政管理、人力資源、物流管理、安全及環保等方面工作。朱先生在製藥企業的生產管理、財務管理及營運方面擁有超過二十五年經驗。於一九九八年四月加盟本集團前，朱先生為蘇州第三製藥廠的副廠長。

**林錦華先生**，54歲，本公司副總裁。林先生亦於本公司之附屬公司包括蘇州東瑞製藥有限公司、蘇州東瑞化工有限公司及東瑞藥業(香港)有限公司擔任董事職務。林先生畢業於香港中文大學，持有社會科學學士學位。林先生於一九九五年十二月加盟本集團，他在醫藥貿易及管理方面擁有逾十五年經驗，負責管理本集團國際業務及本公司的日常行政工作。

**姚世安先生**，57歲，本公司副總裁，負責基建項目。姚先生畢業於北京工商大學，在中國的化學和製藥行業擁有超過三十年的技術和企業管理經驗。於二零零六年七月加盟本集團前，姚先生擔任中國製藥集團有限公司之執行董事及執行總裁。

**李建翔先生**，52歲，本公司副總裁及蘇州東瑞化工有限公司的總經理，負責協助總裁在集團上的產銷銜接、生產計劃安排及蘇州東瑞化工有限公司的整體營運等方面工作。李先生在製藥企業的生產管理、機器設施保養及營運方面擁有超過二十五年經驗。於一九九八年四月加盟本集團前，李先生為蘇州第二製藥廠廠長。

**Ms. WU, Ji Hong**, aged 37, is the Financial Controller of the Group. Ms. Wu is responsible for the Group's financial planning, capital budgeting, execution of the Group's costing, budget planning and execution, finance & accounting department management and other financial operations. Ms. Wu obtained a Bachelor degree of Science from The Economics and Commercial Institution of Center-South University with major in Economics and attained senior accountant qualification in PRC. Ms. Wu has over fifteen years' experience in auditing, budgeting, financial management, corporate banking, taxation, PRC's taxation regulations and company law. Ms. Wu joined the Group in July 2003.

**Mr. BO, Hui**, aged 46, is the Head of Sales and Marketing of the Group. Mr. Bo graduated from the School of Pharmacy of Shengyang Pharmaceutical University with a Bachelor degree in Pharmacy and the Postgraduate program in Medical Economics from the National Sun Yat-sen University. Mr. Bo specializes in pharmacology and has accumulated over 20 years experience in pharmaceutical sales, marketing and business development. Mr. Bo was the general manager of Livzon Pharmaceutical Sales Company and the deputy head of sales and marketing of Livzon Pharmaceutical Group Inc. Mr. Bo joined the Group in August 2004.

**Mr. CHEN, Jian Dong**, aged 43, is the Head of Research and Development of the Group. Mr. Chen was the general manager of former Suzhou Dawnrays Pharmaceutical Technology Co., Ltd. Mr. Chen is a qualified pharmaceutical engineer and licensed pharmacist and has a Bachelor degree in Chemical Pharmacology from 中國藥科大學 (The Pharmaceuticals University of the PRC) where he spent three years as an assistant teacher. He was the head of the research centre and antibiotics workshop manager at 蘇州第四製藥廠 (Suzhou Fourth Pharmaceutical Factory) and the head of the registration section of the research and development department of 蘇州中化藥品工業有限公司 (Suzhou Chung-Hwa Chemical & Pharmaceutical Industrial Co., Ltd.) before joining the Group in April 2002.

**Mr. SU, Guo Qiang**, aged 38, is the General Manager of Suzhou Dawnrays Pharmaceutical Co., Ltd. responsible for the overall operations of Suzhou Dawnrays Pharmaceutical Co., Ltd. Mr. Su graduated from 武漢化工學院 (Wuhan Institute of Chemical Technology) in biopharmaceutical profession and qualified as a pharmaceutical engineer. He was the chief engineer and the head of the research centre of 蘇州第二製藥廠 (Suzhou Second Pharmaceutical Factory). He joined the Group in November 2001.

**Mr. SHAO, Jian Liang**, aged 44, is responsible for the manufacturing facilities construction and overall operations of Dawnrays (Nantong) Pharmaceutical Science and Technology Co. Ltd. Mr. Shao graduated from 江蘇廣播電影大學 (Jiangsu Radio and TV University) in fine organic chemical engineering. He joined the Group in June 1997 and was the bulk medicine workshop manager of Suzhou Dawnrays Pharmaceutical Co., Ltd. and the general manager of Shanghai Dawnrays Chemical Co., Ltd.

**Ms. PANG, Kit Ling**, aged 42, is the Qualified Accountant and Company Secretary of the Company. She is a member of the Hong Kong Institute of Certified Public Accountants, an associate of both The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators. Ms. Pang holds a Master of Arts in Professional Accounting and Information Systems degree from the City University of Hong Kong and has over 10 years experience in the fields of accounting and administration. She joined the Company in July 2003.

**吳繼紅女士**，37歲，本集團財務總監，負責本集團的財務策劃、資金規劃、成本核算、預算編制及監督、財務部門建設等財務管理工作。吳女士畢業於中南大學經貿學院，主修經濟學，持有理學士學位和中國高級會計師資格。吳女士於審計、財政預算、財務管理、銀行信貸、稅收、及中國稅務法規及公司法方面擁有超過十五年經驗。吳女士於二零零三年七月加盟本集團。

**薄輝先生**，46歲，本集團營銷總監。薄先生於瀋陽藥科大學（瀋陽藥學院）藥學系取得學士學位，並在中山大學管理學院醫藥經濟研究生畢業。薄先生具有豐富的藥學知識，並在醫藥銷售、市場推廣及業務發展方面，累計逾二十年經驗。薄先生曾擔任麗珠醫藥營銷有限公司總經理、麗珠醫藥集團股份有限公司營銷副總監等管理職位。薄先生於二零零四年八月加盟本集團。

**陳建東先生**，43歲，本集團研發總監。陳先生曾擔任本集團原蘇州東瑞藥物技術有限公司總經理。陳先生為製藥工程師及註冊藥劑師，自中國藥科大學取得化學藥劑學士學位，並於該大學擔任助理導師三年。於二零零二年四月加盟本集團前，陳先生曾任蘇州第四製藥廠研究中心的主管及抗生素車間的經理，並曾任蘇州中化藥品工業有限公司研究及開發部門註冊部的主管。

**蘇國強先生**，38歲，蘇州東瑞製藥有限公司總經理，負責蘇州東瑞製藥有限公司的整體營運工作。蘇先生畢業於武漢化工學院化學製藥專業，為製藥工程師，曾任蘇州第二製藥廠研究所所長，總工程師等職。蘇先生於二零零一年十一月加盟本集團。

**邵建良先生**，44歲，負責東瑞（南通）醫藥科技有限公司基建及整體營運工作。邵先生畢業於江蘇廣播電視大學精細有機化工專業，於一九九七年六月加盟本集團，曾任蘇州東瑞製藥有限公司原料藥車間主管及上海東瑞化工有限公司總經理。

**彭潔玲女士**，42歲，本公司合資格會計師及公司秘書，彼是香港會計師公會會員、香港公司秘書公會及特許秘書及行政人員公會會員。彭女士持有香港城市大學專業會計與資訊系統文學碩士學位，並在會計及行政管理方面擁有逾十年經驗。彼於二零零三年七月加盟本公司。

The board of Directors (the "Board") herein present their report and the audited financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 18 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2007 and the state of affairs of the Company and the Group at that date are set out in the audited financial statements on pages 36 to 98.

An interim dividend of HK\$0.015 per ordinary share was paid on 18 September 2007. The Board recommends the payment of a final dividend of HK\$0.038 per ordinary share in respect of the year, to shareholders on the register of members on 5 May 2008. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

### SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out on page 99. This summary does not form part of the audited financial statements.

### PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

Details of movements in property, plant and equipment and land use rights of the Company and the Group during the year are set out in notes 14 and 15 to the financial statements, respectively.

### SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 28 to the financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事會(「董事會」)提呈其董事會報告及東瑞製葯(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零七年十二月三十一日止年度的經審核財務報表。

### 主要業務

本公司的主要業務為投資控股。附屬公司的主要業務詳情載列於財務報表附註18。本集團於年內的主要業務性質並無重大變動。

### 業績及股息

本集團截至二零零七年十二月三十一日止年度的溢利及本公司及本集團於該日的財務狀況，載於經審核財務報表第36至98頁。

每股普通股港幣0.015元的中期股息已於二零零七年九月十八日派發。董事會建議向於二零零八年五月五日名列股東名冊的股東支付末期股息每股普通股港幣0.038元。有關建議已列入財務報表，並計入資產負債表內股本及儲備一節的配發保留溢利一項中。

### 財務資料概要

節錄自本集團最近五個財政年度已公佈的經審核財務報表並經適當重新分類的已公佈業績、資產、負債及少數股東權益概要載於第99頁。該概要並不構成經審核財務報表的部分。

### 物業、廠房及設備及土地使用權

本公司及本集團於年內的物業、廠房及設備及土地使用權的變動詳情，分別載於財務報表的附註14及15。

### 股本

本公司之股本於本年度之變動載於財務報表附註28。

### 優先購買權

本公司的公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例提呈發售新股予現有股東。

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased 11,084,000 shares of the Company's listed securities on the Stock Exchange at an aggregate consideration of HK\$8,209,360 before expenses. The monthly breakdown of shares repurchased during the year were as follows:

Month of repurchase	購回月份	Number of shares repurchased 購回股份數目	The highest price paid per share 最高價 (HKD) (每股港幣)	The lowest price paid per share 最低價 (HKD) (每股港幣)	Aggregate consideration paid 代價總額 (HKD) (港幣)
October 2007	二零零七年十月份	2,460,000	0.80	0.75	1,891,200
November 2007	二零零七年十一月份	3,140,000	0.79	0.70	2,343,240
December 2007	二零零七年十二月份	5,484,000	0.74	0.70	3,974,920
Total	總計	11,084,000			8,209,360

The repurchased shares were subsequently cancelled. The nominal value of the cancelled shares was transferred to the capital redemption reserve and the premium payable on repurchase was charged against the share premium account. The repurchases were effected by the Directors for the enhancement of shareholder value in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2007.

## RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in consolidated statement of changes in equity and note 30 to the financial statements.

## DISTRIBUTABLE RESERVES

At 31 December 2007, the Company's reserves available for distribution amounted to RMB277,044,000, of which RMB28,224,000 has been proposed as a final dividend for the year. Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company of approximately RMB65,370,000 as at 31 December 2007 is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

## 購買、贖回或出售本公司上市證券

年內，本公司在香港聯合交易所有限公司購回11,084,000股股份，未計其他費用之總代價為港幣8,209,360元，每月購回股份之詳情列載如下：

購回的股份隨即註銷。與註銷股份面值相等之數額已撥往資本贖回儲備，而股份購回所付之溢價已記入股份溢價賬。股份回購是董事為提高股東長遠利益而作出。

除上文披露者外，截至二零零七年十二月三十一日止年度，本公司或其他任何附屬公司概無購買、贖回或出售任何本公司上市證券。

## 儲備

本公司及本集團於年內的儲備變動詳情，載於合併權益變動表及財務報表附註30。

## 可供分派儲備

本公司於二零零七年十二月三十一日的可供分派儲備達人民幣277,044,000元，其中建議人民幣28,224,000元用作宣派年內的末期股息。根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章，本公司於二零零七年十二月三十一日可供分派予本公司股東的股份溢價賬約人民幣65,370,000元，惟本公司須於緊接建議派發股息當日後，本公司有能力清償其於一般業務過程中到期的債務。股份溢價賬亦可以繳足紅股的方式分派。

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 14.5% of the total sales for the year and sales to the largest customer included therein amounted to 3.7%. Purchases from the Group's five largest suppliers accounted for 48.6% of the total purchases for the year and purchases from the largest supplier included therein amounted to 24.6%.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

### DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

#### EXECUTIVE DIRECTORS

Ms. Li Kei Ling  
Mr. Hung Yung Lai  
Mr. Li Tung Ming  
Mr. Xu Kehan (resigned on 18 March 2007)  
Mr. Gao Yi (appointed on 1 January 2007)

#### NON-EXECUTIVE DIRECTOR

Mr. Leung Hong Man

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Pan Xue Tian  
Mr. Lee Cheuk Yin Dannis (resigned on 10 January 2007)  
Mr. Choi Tat Ying Jacky  
Mr. Sik Siu Kwan (appointed on 10 January 2007)

In accordance with the article 87 of the Company's articles of association, Ms. Li Kei Ling, Mr. Hung Yung Lai and Mr. Leung Hong Man will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting ("AGM").

The Company has received annual confirmations of independence from Mr. Pan Xue Tian, Mr. Choi Tat Ying Jacky and Mr. Sik Siu Kwan, and as at the date of this report still considers them to be independent.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 19 to 23 of the annual report.

### 主要客戶及供應商

於回顧年內，向本集團五大客戶的銷售額佔銷售總額的14.5%，而向其中最大客戶的銷售額則佔3.7%。向本集團五大供應商的採購額佔年內採購總額的48.6%，而向其中最大供應商的採購額則佔24.6%。

本公司董事或其任何聯繫人或任何股東（據董事所知，擁有本公司已發行股本逾5%權益）於本集團五大客戶或供應商中並無擁有任何實益權益。

### 董事

本公司於年內及截至本報告刊發之日止的董事如下：

#### 執行董事

李其玲女士  
熊融禮先生  
李東明先生  
許克寒先生 (於二零零七年三月十八日辭任)  
高毅先生 (於二零零七年一月一日獲委任)

#### 非執行董事

梁康民先生

#### 獨立非執行董事

潘學田先生  
李卓然先生 (於二零零七年一月十日辭任)  
蔡達英先生  
薛兆坤先生 (於二零零七年一月十日獲委任)

根據本公司組織章程細則第87條，李其玲女士、熊融禮先生及梁康民先生將於應屆股東週年大會（「股東週年大會」）上輪席告退，並符合資格願膺選連任。

本公司已取得潘學田先生、蔡達英先生及薛兆坤先生的年度獨立確認書，並於本報告刊發之日仍視彼等為獨立人士。

### 董事及高級管理層履歷

本公司董事及本集團高級管理層的履歷詳情載於年報第19至23頁。



### DIRECTORS' SERVICE CONTRACTS

Ms. Li Kei Ling has entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Ms. Li's service contract was revised to a term of three years which commenced on 1 July 2005 and is subject to termination by the Company giving not less than one month's written notice. Ms. Li is currently entitled to director's fee and other remuneration from the Group totally HK\$516,000 per year.

Mr. Hung Yung Lai has entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Mr. Hung's service contract was revised to a term of three years which commenced on 1 July 2005 and is subject to termination by the Company giving not less than one month's written notice. Mr. Hung is currently entitled to director's fee and other remuneration from the Group totally HK\$516,000 per year.

Mr. Li Tung Ming entered into a service contract with the Company for a term of two years which commenced on 14 January 2004. Mr. Li's service contract was renewed on 1 January 2007 for a term of three years and is subject to termination by either party giving not less than three months' written notice. Mr. Li is currently entitled to director's fee and other remuneration from the Group totally HK\$516,000 per year.

Mr. Gao Yi has entered into a service contract with the Company for a term of two years which commenced on 1 January 2007 and is subject to termination by either party giving not less than two months' written notice. Mr. Gao is currently entitled to director's fee and other remuneration from the Group totally HK\$912,000 per year and a discretionary bonus payable at the absolute discretion of the Board.

Mr. Leung Hong Man has entered into a service contract with the Company for a term of two years which commenced on 1 November 2005. Mr. Leung's service contract was renewed for a term of two years which commenced on 1 November 2007, and is subject to termination by either party giving not less than one month's written notice. Mr. Leung is currently entitled to a basic annual remuneration of HK\$96,000. Save for the above director's fee, Mr. Leung is not entitled to any other remuneration.

Mr. Pan Xue Tian has been appointed as an Independent Non-executive Director. Mr. Pan's service contract commenced on 1 July 2003 and was renewed for a term of two years commencing on 1 July 2007. Mr. Choi Tat Ying Jacky has been appointed as an Independent Non-executive Director for a term of two years which commenced on 30 September 2004 and his service contract was renewed for a term of two years commencing on 30 September 2006. Mr. Sik Siu Kwan has been appointed as an Independent Non-executive Director and entered into a service contract with the Company for a term of two years which commenced on 10 January 2007. Mr. Pan, Mr. Choi and Mr. Sik's appointments are subject to termination by either party giving not less than one month's written notice. Each of Mr. Pan, Mr. Choi and Mr. Sik are currently entitled to an annual remuneration of HK\$120,000. Save for the above directors' fees, the three Independent Non-executive Directors are not entitled to any other remuneration.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### 董事服務合約

李其玲女士與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。李女士的服務合約由二零零五年七月一日開始獲續約三年，並可由本公司發出不少於一個月書面通知書予以終止。李女士目前於本集團有權享有董事袍金及其他酬金每年共港幣516,000元。

熊融禮先生與本公司簽訂服務合約，由二零零三年七月一日開始為期兩年。熊先生的服務合約由二零零五年七月一日開始獲續約三年，並可由本公司發出不少於一個月書面通知書予以終止。熊先生目前於本集團有權享有董事袍金及其他酬金每年共港幣516,000元。

李東明先生與本公司訂立服務合約，由二零零四年一月十四日開始為期兩年。李先生的服務合約於二零零七年一月一日開始獲續約三年，並可由任何一方發出不少於三個月書面通知書予以終止。李先生目前於本集團有權享有董事袍金及其他酬金每年共港幣516,000元。

高毅先生與本公司訂立服務合約，由二零零七年一月一日開始為期二年，並可由任何一方發出不少於二個月書面通知書予以終止。高先生目前於本集團有權享有董事袍金及其他酬金每年港幣912,000元及由董事會全權決定支付的酌情獎金。

梁康民先生與本公司訂立服務合約，由二零零五年十一月一日開始為期兩年，梁先生的服務合約已於二零零七年十一月一日起獲續期兩年，及可於任何一方發出不少於一個月書面通知書予以終止。梁先生現時享有年度酬金港幣96,000元。除上述董事袍金外，梁先生並無享有任何其他酬金。

潘學田先生獲委任為獨立非執行董事，潘先生的服務合約由二零零三年七月一日開始，並已於二零零七年七月一日起獲續期兩年。蔡達英先生已獲委任為獨立非執行董事，由二零零四年九月三十日開始為期兩年。蔡先生的服務合約已於二零零六年九月三十日起獲續期兩年。薛兆坤先生獲委任為獨立非執行董事並與本公司訂立服務合約，由二零零七年一月十日開始為期兩年。潘先生、蔡先生及薛先生的委任均可於任何一方發出不少於一個月書面通知書予以終止。潘先生、蔡先生及薛先生現時各自享有年度酬金港幣120,000元。除上述董事袍金外，三名獨立非執行董事並無享有任何其他酬金。

擬於應屆股東週年大會上再獲推選的董事，並無與本公司訂立不可於一年內免賠償(除法定賠償外)予以終止的服務合約。

### DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group. There is no contract of significance between the Group, its controlling shareholder or any of its subsidiaries during the year.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year.

### SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Scheme") on 21 June 2003. The detailed disclosures relating to the Scheme and valuation of options are set out in Note 29 to the financial statements.

Movements of the Company's share options under the Scheme during the year were as follows:

Name or category of participant	參與者名稱或類別	Number of share options 購股權數目				At 31 December 2007	Date of grant of share options (a) 授出購股權日期(a) (日/月/年)	Exercise period of share options 購股權行使期間 (日/月/年)	Exercise price of share options (b) 購股權行使價(b) HK\$ 港幣	Closing price of the Company's shares (c) 本公司股份收市價格(c)
		At 1 January 2007	Granted during the year	Exercised during the year	Lapsed during the year (d)					At immediate date before the grant
<b>Director</b>	<b>董事</b>									
Mr. Gao Yi	高毅先生	1,200,000	-	(300,000)	-	900,000	28/12/04	28/12/05-27/12/10	0.58	0.59
		-	3,000,000	-	-	3,000,000	04/04/07	04/04/08-03/04/13	0.71	0.70
		1,200,000	3,000,000	(300,000)	-	3,900,000				
<b>Other employees</b>	<b>其他僱員</b>									
In aggregate(e)	總計	4,100,000	-	-	(1,600,000)	2,500,000	17/11/04	17/11/05-16/11/10	0.63	0.62
		16,800,000	-	(4,816,000)	(704,000)	11,280,000	28/12/04	28/12/05-27/12/10	0.58	0.59
		-	800,000	-	-	800,000	10/01/07	01/09/07-31/08/12	0.72	0.68
		-	4,500,000	-	-	4,500,000	04/04/07	04/04/08-03/04/13	0.71	0.70
		-	1,300,000	-	-	1,300,000	10/07/07	10/07/08-09/07/13	0.80	0.80
		20,900,000	6,600,000	(4,816,000)	(2,304,000)	20,380,000				
<b>Other participant</b>	<b>其他參與者</b>									
		400,000	-	-	-	400,000	05/05/05	05/05/06-04/05/09	0.50	0.49
		22,500,000	9,600,000	(5,116,000)	(2,304,000)	24,680,000				

### 董事於合約的權益

概無董事於對本集團業務屬重大的任何合約中直接或間接擁有重大權益。本集團、其控股股東或其任何附屬公司之間並無任何重大合約。

### 管理合約

於年內，概無訂立或存在任何有關處理及管理本公司全部業務或業務的重要部份的合約。

### 購股權計劃

本公司於二零零三年六月二十一日採納購股權計劃(「計劃」)，有關計劃的詳情及購股權的估值載於財務報表附註29。

本年內，計劃中的本公司購股權變動如下：



- |   |  |
|---|--|
| <p>(a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.</p> <p>(b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.</p> <p>(c) The price of the Company's shares disclosed as at immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.</p> <p>(d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees.</p> <p>(e) Mr. Xu Kehan has resigned as an executive director of the Company on 18 March 2007 but remains as the strategic adviser of the Company, the share options granted to him are then regrouped under "Other employees".</p> | <p>(a) 購股權的歸屬期為授出日期至行使期開始為止。</p> <p>(b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。</p> <p>(c) 於授予購股權前一天所披露的本公司股份價格為緊接授予購股權當日前一個交易日的聯交所收市價。</p> <p>(d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。</p> <p>(e) 許克寒先生於二零零七年三月十八日辭去本公司執行董事一職，但仍繼續出任本公司策略顧問。已授予他的購股權已重新歸類於「其他僱員」下。</p> |
|---|--|

The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercise of options within the disclosure line. The weighted average closing price of Company's shares immediately before the dates on which the options were exercised by the Director and other employees were HK\$0.73 and HK\$0.83 respectively.

於緊接購股權行使日期前披露的本公司股份價格為股份於緊接披露類別的所有購股權行使日期前一日的聯交所股份收市價的加權平均數。董事及其他僱員已行使的購股權於緊接行使日期前之加權平均股份收市價分別為港幣七角三分及港幣八角三分。

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2007, the interests and short positions of the Directors and Chief Executive in the shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

### 董事及總裁於股份及相關股份的權益及淡倉

於二零零七年十二月三十一日，董事及總裁於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股本、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉載列如下：

# Report of the Directors

## 董事會報告

Long positions in ordinary shares of the Company:  
於本公司普通股中的好倉：

Name 名稱	Notes 附註	Number of shares held, capacity and nature of interest 持有的股份數目、身份及權益性質			Total 總數	Percentage of the Company's issued share capital 佔本公司已發行 股本的百分比
		Directly beneficially owned 直接 實益擁有	Share Option granted 獲頒授的購股權	Through controlled corporation 通過控制 公司持有		
<b>Directors</b>						
<b>董事</b>						
Ms. Li Kei Ling 李其玲女士	(a)	–	–	342,072,000	342,072,000	43.13
Mr. Hung Yung Lai 熊融禮先生	(a)	–	–	342,072,000	342,072,000	43.13
Mr Li Tung Ming 李東明先生	(b)	8,000,000	–	56,000,000	64,000,000	8.07
Mr. Gao Yi 高毅先生	(c)	300,000	3,900,000	–	4,200,000	0.53
Mr. Leung Hong Man 梁康民先生	(d)	–	–	52,380,000	52,380,000	6.60

Long positions in shares and underlying shares of associated corporation:  
於相聯法團股份及相關股份中的好倉：

Name of Director 董事名稱	Name of associated corporation 相聯 法團名稱	Relationship with the Company 與本公司的 關係	Shares 股份	Number of shares 股份數目	Capacity and nature of interest 身份及 權益性質	Percentage of the associated corporation's issued share capital 佔相聯法團已發行 股本的百分比
Ms. Li Kei Ling 李其玲女士	Fortune United Group Limited	the Company's holding company 本公司的控股公司	Ordinary shares 普通股	2	Through a controlled corporation 通過一間控制公司	50
Mr. Hung Yung Lai 熊融禮先生	Fortune United Group Limited	the Company's holding company 本公司的控股公司	Ordinary shares 普通股	2	Through a controlled corporation 通過一間控制公司	50

### Notes:

- (a) 342,072,000 shares are held by Fortune United Group Limited, a company incorporated in the British Virgin Islands. Keysmart Enterprises Limited, which is wholly-owned by Ms. Li Kei Ling, and Hunwick International Limited, which is wholly-owned by Mr. Hung Yung Lai, are each beneficially interested in 50% of the share capital of Fortune United Group Limited.
- (b) 56,000,000 shares are held by Time Lead Investments Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming.
- (c) 3,900,000 shares options were granted to Mr. Gao Yi under the Company's option scheme adopted on 21 June 2003 and Mr. Gao is deemed to be interested in the shares which will be issued to him upon his exercise of option, representing approximately 0.49% of the Company's issued share capital.
- (d) 52,380,000 shares are held by Toyo International Investment Limited, a company incorporated in Hong Kong. Mr. Leung Hong Man and Mr. Leung Yiu Sing are each beneficially interested in 50% of the share capital of Toyo International Investment Limited.

Save as disclosed above, as at the date of this report, none of the Directors or Chief Executive had registered an interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections "Share option scheme", "Directors' and Chief Executive's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### 附註：

- (a) 342,072,000股股份由一家於英屬處女群島註冊成立的公司 Fortune United Group Limited 所持有。 Fortune United Group Limited 的股本由李其玲女士全資擁有的 Keysmart Enterprises Limited 及由熊融禮先生全資擁有的 Hunwick International Limited 各自實益擁有 50% 權益。
- (b) 56,000,000 股股份由一家於英屬處女群島註冊成立的公司 Time Lead Investments Limited 所持有。 Time Lead Investments Limited 的全部已發行股本由李東明先生實益擁有。
- (c) 根據本公司於二零零三年六月二十一日採納之購股權計劃，高毅先生獲授予 3,900,000 股購股權，高先生被視為擁有當行使該批購股權時將發行給彼之股份權益，約佔本公司已發行股份的 0.49%。
- (d) 52,380,000 股股份由一家於香港註冊成立的公司東海國際投資有限公司所持有。東海國際投資有限公司的全部已發行股本由梁康民先生及梁耀成先生各自實益擁有 50% 權益。

除上述者外，於本報告刊發之日，概無董事或總裁於本公司或其任何相聯法團的股份、相關股份或債券中，擁有須根據證券及期貨條例第 352 條予以記錄，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益或淡倉。

### 董事購買股份或債券的權益

除於上述「購股權計劃」一節、「董事及總裁於股份及相關股份的權益及淡倉」一節及財務報表附註 29 所載購股權計劃披露的事宜外，年內並無任何董事、彼等的配偶或未滿 18 歲的子女獲授可透過收購本公司股份或債券的方法收購權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司訂立任何安排，以令董事可收購任何其他法人團體有關權利。

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2007, the following interests or short positions in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

#### Long positions:

好倉：

### 主要股東及其他人士於股份及相關股份的權益

於二零零七年十二月三十一日，根據證券及期貨條例第336條須於本公司存置的權益登記冊上記錄，於本公司股份及相關股份的權益或淡倉載列如下：

Name 名稱	Notes 附註	Number of shares held, capacity and nature of interest 持有的股份數目、身份及權益性質			Total 總數	Percentage of the Company's issued share capital 佔本公司已發行 股本的百分比
		Directly beneficially owned 直接 實益擁有	Family interest 家族權益	Through a controlled corporation 通過一家 控制公司		
Fortune United Group Limited	(a)	342,072,000	–	–	342,072,000	43.13
Keysmart Enterprises Limited	(a)	–	–	342,072,000	342,072,000	43.13
Hunwick International Limited	(a)	–	–	342,072,000	342,072,000	43.13
Mdm. Lu Pun 姚彬女士	(b)	–	342,072,000	–	342,072,000	43.13
Time Lead Investments Limited	(c)	56,000,000	–	–	56,000,000	7.06
Toyo International Investment Limited 東海國際投資有限公司	(d)	52,380,000	–	–	52,380,000	6.60
Mdm. Lo Mei Sai 羅美茜女士	(e)	–	52,380,000	–	52,380,000	6.60
Mr. Leung Yiu Sing 梁耀成先生	(d) & (f)	284,000	–	52,380,000	52,664,000	6.64
Mdm. Chu Shuet Fong 朱雪芳女士	(f) & (g)	284,000	52,380,000	–	52,664,000	6.64

### Notes:

- (a) The issued capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited which are in turn, respectively, wholly-owned by Ms. Li Kei Ling and Mr. Hung Yung Lai, Executive Directors of the Company.
- (b) Mdm. Lu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in the shares of the Company held by Mr. Hung Yung Lai.
- (c) The entire issued capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming, an Executive Director of the Company.
- (d) The issued capital of Toyo International Investment Limited is equally beneficially owned by Mr. Leung Hong Man, the Non-executive Director of the Company and his father Mr. Leung Yiu Sing.
- (e) Mdm. Lo Mei Sai is the wife of Mr. Leung Hong Man and is deemed to be interested in the shares of the Company held by Mr. Leung Hong Man.
- (f) 284,000 shares are jointly held by Mr. Leung Yiu Sing and Mdm Chu Shuet Fong, his wife, both deemed to be interested in all of the shares held jointly.
- (g) Mdm. Chu Shuet Fong is the wife of Mr. Leung Yiu Sing and is deemed to be interested in the shares of the Company held by Mr. Leung Yiu Sing.

Save as disclosed above, as at 31 December 2007, no person, other than the Directors and Chief Executive Officer of the Company, whose interests are set out in the section "Directors' and Chief Executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

### AUDITORS

Ernst & Young will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM.

ON BEHALF OF THE BOARD

**Li Kei Ling**

*Chairman*

Hong Kong, 14 March 2008

### 附註：

- (a) Fortune United Group Limited的已發行股本由Keysmart Enterprises Limited及Hunwick International Limited平均實益擁有。Keysmart Enterprises Limited及Hunwick International Limited分別由本公司的執行董事李其玲女士及熊融禮先生全資擁有。
- (b) 姚彬女士為熊融禮先生的配偶，故被視為於熊融禮先生持有的本公司股份中擁有權益。
- (c) Time Lead Investments Limited的全部已發行股本由本公司一名執行董事李東明先生實益擁有。
- (d) 東海國際投資有限公司的已發行股本分別由本公司的非執行董事梁康民先生及彼之父親梁耀成先生平均實益擁有。
- (e) 羅美茜女士為梁康民先生的配偶，故被視為於梁康民先生持有的本公司股份中擁有權益。
- (f) 284,000股股份由梁耀成先生及彼之配偶朱雪芳女士共同持有，彼等均被視為擁有該批共同持有股份的全部權益。
- (g) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。

除上文披露者外，於二零零七年十二月三十一日，並無其他人士（本公司董事及總裁除外，有關彼等的權益載於上文「董事及總裁於股份及相關股份的權益及淡倉」一節）登記於本公司股份或相關股份中擁有的權益或淡倉（須根據證券及期貨條例第336條予以登記）。

### 足夠的公眾持股量

根據本公司獲得的已公開資料及據董事所知，於本報告刊發之日，公眾人士持有本公司已發行股本總額至少25%。

### 核數師

安永會計師事務所將辭任，而重新委任彼等為本公司核數師的決議案，將於應屆股東週年大會上提呈。

代表董事會

**李其玲**

*主席*

香港，二零零八年三月十四日



安永會計師事務所

### TO THE SHAREHOLDERS OF DAWRAYS PHARMACEUTICAL (HOLDINGS) LIMITED (INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

We have audited the financial statements of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 98, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

### 致東瑞製葯(控股)有限公司 (在開曼群島註冊成立的有限公司)全體股東

本核數師已審核列載於第36至98頁東瑞製葯(控股)有限公司(「公司」)及其附屬公司(統稱「集團」)的財務報表，此財務報表包括於二零零七年十二月三十一日的合併及公司資產負債表與截至該日止年度的合併利潤表、合併權益變動表和合併現金流量表，以及重要會計政策摘要及其他附註解釋。

### 董事就財務報表須承擔的責任

公司董事須負責根據國際財務報告準則及按照香港公司條例的披露規定編製及真實而公允地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公允地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及根據情況作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。本報告僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Ernst & Young

*Certified Public Accountants*

Hong Kong

14 March 2008

我們相信，我們所獲得的審核憑證是充足和適當的為我們的審核意見提供了基礎。

## 意見

我們認為，該等財務報表已根據國際財務報告準則真實而公平地反映公司及集團於二零零七年十二月三十一日的財務狀況及集團截至該日止年度的利潤及現金流量，並已按照香港公司條例的披露規定妥為編製。

### 安永會計師事務所

執業會計師

香港

二零零八年三月十四日



# Consolidated Income Statement

## 合併利潤表

Year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>REVENUE</b>	收入	4	<b>919,945</b>	788,797
Cost of sales	銷售成本		<b>(680,443)</b>	(604,788)
<b>Gross profit</b>	毛利		<b>239,502</b>	184,009
Other income and gain	其他收入及收益	4	<b>4,320</b>	2,955
Selling and distribution costs	銷售及分銷費用		<b>(69,218)</b>	(53,669)
Administrative expenses	行政費用		<b>(41,117)</b>	(36,400)
Other expenses	其他費用		<b>(21,950)</b>	(26,590)
Finance costs	財務費用	5	<b>-</b>	(976)
<b>PROFIT BEFORE TAX</b>	除稅前溢利	6	<b>111,537</b>	69,329
Tax	稅項	10	<b>(10,380)</b>	(3,451)
<b>PROFIT FOR THE YEAR</b>	本年度溢利		<b>101,157</b>	65,878
Attributable to:	以下各項應佔：			
Equity holders of the parent	母公司權益持有人	11	<b>101,072</b>	65,781
Minority interest	少數股東權益		<b>85</b>	97
			<b>101,157</b>	65,878
<b>DIVIDENDS:</b>	股息：	12		
Interim	中期		<b>11,804</b>	12,422
Proposed final	擬派末期		<b>28,224</b>	13,654
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	母公司普通股權益持有人應佔每股盈利	13		
- basic, for profit for the year	- 基本，以本年度溢利計算		<b>RMB0.1260</b>	RMB0.0823
- diluted, for profit for the year	- 攤薄，以本年度溢利計算		<b>RMB0.1253</b>	RMB0.0818

# Balance Sheets

## 資產負債表

31 December 2007 於二零零七年十二月三十一日

		Notes 附註	Group 本集團		Company 本公司	
			2007	2006	2007	2006
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>					
Property, plant and equipment	物業、廠房及設備	14	223,017	240,741	76	153
Land use rights	土地使用權	15	23,225	13,204	-	-
Construction in progress	在建工程	16	10,496	869	-	-
Prepayments	預付款	15	26,072	-	-	-
Intangible assets	無形資產	17	14,632	15,362	-	-
Interests in subsidiaries	於附屬公司的權益	18	-	-	288,813	341,242
Deferred tax assets	遞延稅項資產	27	868	655	-	-
Total non-current assets	非流動資產總額		298,310	270,831	288,889	341,395
<b>CURRENT ASSETS</b>	<b>流動資產</b>					
Inventories	存貨	19	124,435	134,597	-	-
Trade and notes receivables	應收貿易及票據款項	20	341,170	288,892	-	-
Prepayments, deposits and other receivables	預收款、按金及其他應收款項	21	5,752	16,029	423	413
Financial assets at fair value through profit or loss	按公允價值記入損益表之財務資產	22	4,888	3,965	4,888	3,965
Cash and cash equivalents	現金及現金等價物	23	76,843	44,023	31,091	4,924
Total current assets	流動資產總額		553,088	487,506	36,402	9,302
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>					
Trade and notes payables	應付貿易及票據款項	24	247,407	201,242	-	-
Other payables and accruals	其他應付款及應計負債	26	22,843	17,485	1,165	1,262
Bank advances for discounted bills	銀行貼現票據墊款	25	-	25,351	-	-
Income tax payable	應付所得稅		2,142	1,212	-	-
Total current liabilities	流動負債總額		272,392	245,290	1,165	1,262
Net current assets	流動資產淨額		280,696	242,216	35,237	8,040
Total assets less current liabilities	資產總額減流動負債		579,006	513,047	324,126	349,435
<b>EQUITY</b>	<b>權益</b>					
<b>Equity attributable to equity holders of the parent</b>	<b>母公司權益持有人應佔權益</b>					
Issued capital	已發行股本	28	84,241	84,791	84,241	84,791
Reserves	儲備	30	465,887	413,812	211,661	250,990
Proposed final dividend	擬派末期股息	12	28,224	13,654	28,224	13,654
			578,352	512,257	324,126	349,435
<b>Minority interest</b>	<b>少數股東權益</b>		654	790	-	-
<b>Total equity</b>	<b>權益總額</b>		579,006	513,047	324,126	349,435

LI KEI LING

李其玲

Director  
董事

GAO YI

高毅

Director  
董事

# Consolidated Statement of Changes in Equity

## 合併權益變動表

Year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the parent 母公司權益持有人應佔權益											
		Issued capital	Share premium	Capital redemption reserve	Share option reserve	Contributed surplus	Statutory reserve	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total	Minority interest	Total equity
Notes		已發行股本	股份溢價	資本贖回儲備	購股權儲備	輸入盈餘	法定盈餘公積金	匯兌波動儲備	保留溢利	末期股息	總計	少數股東權益	權益總類
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 28)		(note 30)	(note 30)	(note 30)	(note 30)	(note 30)		(note 12)			
		(附註28)		(附註30)	(附註30)	(附註30)	(附註30)	(附註30)		(附註12)			
At 1 January 2006	於二零零六年一月一日	84,880	69,583	-	1,616	100,175	45,018	446	157,469	29,127	488,314	743	489,057
Exchange realignment	匯兌調整	-	-	-	-	-	-	(63)	-	-	(63)	-	(63)
Total income and expense for the year recognised directly in equity	已直接於權益內確認的 本年度收入及支出總額	-	-	-	-	-	-	(63)	-	-	(63)	-	(63)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	65,781	-	65,781	97	65,878
Total income and expense for the year	本年度收入及支出總額	-	-	-	-	-	-	(63)	65,781	-	65,718	97	65,815
Exercise of share options	行使購股權	29	105	646	-	(119)	-	-	-	-	632	-	632
Shares repurchased and cancelled	購回及註銷股份		(194)	(1,069)	194	-	-	-	(194)	-	(1,263)	-	(1,263)
Dividends paid to minority shareholder	已付少數股東股息		-	-	-	-	-	-	-	-	-	(50)	(50)
Final 2005 dividend declared	宣派二零零五年末期股息		-	-	-	-	-	-	-	(29,127)	(29,127)	-	(29,127)
Equity-settled share option arrangements	以股權支付的購股權安排	29	-	-	-	405	-	-	-	-	405	-	405
Interim 2006 dividend	二零零六年中期股息	12	-	-	-	-	-	-	(12,422)	-	(12,422)	-	(12,422)
Proposed final 2006 dividend	擬派二零零六年末期股息	12	-	-	-	-	-	-	(13,654)	13,654	-	-	-
Transfer from retained profits	自保留溢利中轉撥		-	-	-	-	7,753	-	(7,753)	-	-	-	-
At 31 December 2006	於二零零六年十二月三十一日	84,791	69,160	194	1,902	100,175	52,771	383	189,227	13,654	512,257	790	513,047

# Consolidated Statement of Changes in Equity 合併權益變動表

Year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the parent 母公司權益持有人應佔權益											
Notes 附註	Issued capital 已發行股本 RMB'000 人民幣千元 (note 28) (附註28)	Share premium 股份溢價 RMB'000 人民幣千元 (note 30) (附註30)	Capital redemption reserve 資本贖回儲備 RMB'000 人民幣千元 (note 30) (附註30)	Share option reserve 購股權儲備 RMB'000 人民幣千元 (note 30) (附註30)	Contributed surplus 繳入盈餘 RMB'000 人民幣千元 (note 30) (附註30)	Statutory reserve 法定盈餘 RMB'000 人民幣千元 (note 30) (附註30)	Exchange fluctuation reserve 匯兌波動儲備 RMB'000 人民幣千元 (note 30) (附註30)	Retained profits 保留溢利 RMB'000 人民幣千元 (note 12) (附註12)	Proposed dividend 擬派末期股息 RMB'000 人民幣千元 (note 12) (附註12)	Total 總計 RMB'000 人民幣千元	Minority interest 少數股東權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元	
	At 1 January 2007	84,791	69,160	194	1,902	100,175	52,771	383	189,227	13,654	512,257	790	513,047
	Exchange realignment	-	-	-	-	-	(5,420)	-	-	(5,420)	-	(5,420)	
	Total income and expense for the year recognised directly in equity	-	-	-	-	-	(5,420)	-	-	(5,420)	-	(5,420)	
	Profit for the year	-	-	-	-	-	-	101,072	-	101,072	85	101,157	
	Total income and expense for the year	-	-	-	-	-	(5,420)	101,072	-	95,652	85	95,737	
	Exercise of share options	505	2,992	-	(558)	-	-	-	-	2,939	-	2,939	
	Shares repurchased and cancelled	(1,055)	(6,782)	1,055	-	-	-	(1,055)	-	(7,837)	-	(7,837)	
	Dividends paid to minority shareholder	-	-	-	-	-	-	-	-	-	(221)	(221)	
	Final 2006 dividend declared	-	-	-	-	-	-	-	(13,654)	(13,654)	-	(13,654)	
	Dividend on shares issued for employee share options exercised after 31 December 2006	-	-	-	-	-	-	(65)	-	(65)	-	(65)	
	Equity-settled share option arrangements	-	-	-	864	-	-	-	-	864	-	864	
	Interim 2007 dividend	-	-	-	-	-	-	(11,804)	-	(11,804)	-	(11,804)	
	Proposed final 2007 dividend	-	-	-	-	-	-	(28,224)	28,224	-	-	-	
	Transfer from retained profits	-	-	-	-	10,382	-	(10,382)	-	-	-	-	
	At 31 December 2007	84,241	65,370	1,249	2,208	100,175	63,153	(5,037)	238,769	28,224	578,352	654	579,006

# Consolidated Cash Flow Statement

## 合併現金流量表

Year ended 31 December 2007 截至二零零七年十二月三十一日止年度

	Notes 附註	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>經營活動的現金流量</b>			
Profit before tax:	除稅前溢利：	111,537	69,329
Adjustments for:	就下列調整：		
Finance costs	財務費用	5	976
Interest income	利息收入	4	(858)
Dividend income from financial assets at fair value through profit or loss	按公允值記入損益表之財務資產的股息收入	4	(2)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	6	1,392
Impairment losses on intangible assets	無形資產減值虧損	6	1,335
Depreciation	折舊	6	22,227
Amortisation of intangible assets	無形資產攤銷	6	790
Recognition of land use rights	土地使用權確認	6	307
Gain on disposal of financial assets at fair value through profit or loss	出售按公允值記入損益表之財務資產的收益	4	(202)
Fair value losses/(gains), net:	公允值虧損/(收益)淨額：		
Financial assets at fair value through profit or loss	按公允值記入損益表之財務資產	6	(857)
Equity-settled share option expenses	以股權支付的購股權開支	6, 29	405
Operating profit before working capital changes	未計營運資金變動前經營現金流入	140,511	94,842
Decrease in inventories	存貨減少	10,162	25,283
Increase in trade and notes receivables	應收貿易及票據款項增加	(77,628)	(41,662)
Decrease in prepayments	預付款減少	6,745	10,197
Decrease in deposits and other receivables	按金及其他應收款項減少	3,697	2,251
Increase/(decrease) in trade and notes payables	應付貿易及票據款項增加/(減少)	46,165	(8,336)
Increase/(decrease) in other payables	其他應付款項增加/(減少)	10,374	(29,163)
Increase in accruals	應計負債增加	188	95
Income tax paid	已付所得稅	(9,663)	(2,894)
Net cash inflow from operating activities	經營活動的現金流入淨額	130,551	50,613
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>投資活動的現金流量</b>			
Interest received	已收利息	4	858
Dividends received from financial assets at fair value through profit or loss	已收按公允值記入損益表之財務資產的股息	4	2
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項	123	176
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公允值記入損益表之財務資產的所得款項	15,742	2,150
Purchases of property, plant and equipment and construction in progress	購置物業、廠房及設備及在建工程	(22,090)	(8,337)
Acquisition of a subsidiary	收購附屬公司	17	—
Purchase of intangible assets	購置無形資產	17	(2,449)
Purchase of land use rights	購置土地使用權	(10,346)	(3,480)
Increase in prepayments	預付款增加	(26,072)	—
Purchases of financial assets at fair value through profit or loss	購置按公允值記入損益表之財務資產	(15,658)	(4,189)
Net cash outflow from investing activities	投資活動的現金流出淨額	(61,666)	(15,269)

# Consolidated Cash Flow Statement

## 合併現金流量表

Year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Net cash outflow from investing activities	投資活動的現金出淨額		(61,666)	(15,269)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>融資活動的現金流量</b>				
Proceeds from exercise of share option	行使購股權的所得款項		2,939	632
Repurchase and cancellation of shares	購回及註銷公司股份		(7,840)	(1,263)
Interest paid	已付利息	5	-	(976)
Dividends paid	已付股息		(25,523)	(41,549)
Dividends paid to minority shareholder	已付少數股東股息		(221)	(50)
Net cash outflow from financing activities	融資活動的現金流出淨額		(30,645)	(43,206)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
<b>現金及現金等價物增加/(減少)淨額</b>				
Cash and cash equivalents at beginning of year	年初現金及現金等價物		44,023	51,948
Effect of foreign exchange rate changes, net	匯率變動之影響淨額		(5,420)	(63)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
<b>年終現金及現金等價物</b>				
			76,843	44,023
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>				
<b>現金及現金等價物結餘分析</b>				
Cash and bank balances	現金及銀行結存	23	48,205	41,446
Short term deposits	短期銀行存款	23	28,638	2,577
			76,843	44,023



# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 1. CORPORATE INFORMATION

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (the “Group”) comprising the Group underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

During the year, the Group was principally engaged in the development, manufacture and sale of non-patented chemical medicines including cephalosporin in bulk medicine and powder for injection, their intermediate pharmaceuticals and system specific medicines in Mainland China. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the holding company of the Company.

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

#### 2.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

##### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All significant intercompany balances and transactions within the Group are eliminated on consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders’ equity.

### 1. 公司資料

東瑞製藥(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷·經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。

通過集團重組優化本公司及其附屬公司(「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本集團於年內主要在中國大陸從事非專利化學藥物開發、製造及銷售，包括無菌原料藥及粉針劑形式的頭孢菌素，並開發、製造及銷售頭孢菌素的藥物中間體產品和系統專科藥物。董事認為，於英屬處女群島註冊成立的公司 Fortune United Group Limited，是本公司的控股公司。

本公司股份於二零零三年七月十一日於聯交所主板上市。

#### 2.1. 編製基準

該等財務報表已根據國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定而編製。除按公允值計算並記入損益表之財務資產外，財務報表按歷史成本原則編製，並以人民幣列示，除另有指明外，所有金額均四捨五入至最接近千位。

##### 合併基準

合併財務報表包括本公司及其附屬公司於每年十二月三十一日的財務報表。編製附屬公司財務報表的呈報年度與本公司相同，會計政策亦貫徹一致。

本集團內所有重大公司間結餘及交易均於合併時對銷。

附屬公司由收購日期(即本集團取得控制權當日)起全面合併入賬，並一直合併入賬直至控制權終止為止。

少數股東權益指並非由本集團持有的本公司附屬公司盈虧與淨資產部分，並在利潤表內及合併資產負債表則列入權益項內單獨呈列，與母公司的股東權益分開。

### 2.2. IMPACT OF NEW AND REVISED IFRSs

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including in some cases, revisions to accounting policies.

IFRS 7	Financial Instruments: Disclosures
IAS 1	Amendment – Presentation of Financial Statements
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment

The principal effects of adopting these new and revised IFRSs are as follows:

#### (a) IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/ revised where needed.

#### (b) IAS 1 Presentation of Financial Statements

This amendment requires the Group to make disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 32 to the financial statements.

#### (c) IFRIC 8 Scope of IFRS 2

This interpretation requires IFRS 2 to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. As equity instruments are only issued to employees in accordance with the employee share scheme, the interpretation had no impact on the financial position or performance of the Group.

### 2.2. 新訂及經修訂國際財務報告準則之影響

所採納的會計政策與上個財政年度所採用者一致，惟以下除外：

本集團於本年度採納了以下新訂及經修訂國際財務報告準則及國際財務報告詮釋委員會詮釋。採用此等經修訂準則及詮釋並無對本集團財務表現或狀況產生任何影響。然而該等準則導致產生額外披露，包括在某些情況下須對會計政策作出修訂。

國際財務報告準則第7號	金融工具：披露
國際會計準則第1號	修訂本－財務報表之呈列
國際財務報告詮釋委員會第8號	國際財務報告準則第2號的範圍
國際財務報告詮釋委員會第9號	嵌入式衍生工具的重估
國際財務報告詮釋委員會第10號	中期財務報告及減值

採納該等新訂及經修訂國際財務報告準則的主要影響如下：

#### (a) 國際財務報告準則第7號－金融工具：披露

該準則要求作出披露以允許財務報表使用者評估本集團金融工具之重要性以及該等金融工具之性質及所帶來的風險。該等新披露載列並貫穿於財務報表。雖然對本集團之財務狀況或經營業績並無影響，比較資料已視乎需要而載入／經修訂。

#### (b) 國際會計準則第1號－財務報表之呈列

該修訂要求本集團作出披露以允許財務報表之使用者能夠評估本集團管理資本的目標、政策及過程。該等新披露載列於財務報表附註32。

#### (c) 國際財務報告詮釋委員會第8號－國際財務報告準則第2號的範圍

該詮釋要求國際財務報告準則第2號適用於實體無法明確確定部份或所有已收到貨物（尤其當權益工具以低於其公允值的代價發行時）的任何安排。由於權益工具僅根據僱員購股權計劃向僱員發行，因此該詮釋對本集團之財務狀況或表現並無影響。

### 2.2. IMPACT OF NEW AND REVISED IFRSs (continued)

#### (d) IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation had no impact on the financial position or performance of the Group.

#### (e) IFRIC 10 Interim Financial Reporting and Impairment

The Group adopted IFRIC Interpretation 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Group had no impairment losses previously reversed, the interpretation had no impact on the financial position or performance of the Group.

### 2.3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

#### Development Costs

Development costs are capitalised in accordance with the accounting policy in note 2.4. Initial capitalisation of costs is based on management's judgment that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established management model.

### 2.2. 新訂及經修訂國際財務報告準則之影響 (續)

#### (d) 國際財務報告詮釋委員會第9號－嵌入式衍生工具的重估

國際財務報告詮釋委員會第9號訂明，評估嵌入式衍生工具的存在日期為實體首次成為合約一方的日期，並只有當合約出現引起現金流重大變動的變化時才會進行重估。由於本集團並無需要從主合約中剝離之嵌入式衍生工具，因此該詮釋對本集團之財務狀況或表現並無影響。

#### (e) 國際財務報告詮釋委員會第10號－中期財務報告及減值

本集團於二零零七年一月一日起採納國際財務報告詮釋委員會詮釋第10號，要求對於商譽或以成本計值的權益工具或金融資產投資，實體不得將先前中期已確認的減值虧損予以轉回。由於本集團先前並無撥回減值虧損，因此該詮釋對本集團之財務狀況或表現並無影響。

### 2.3. 主要會計判斷、估計及假設

管理層財務報表的編製要求作出對收入、支出、資產與負債及或然負債之披露於報告日的報告數額構成影響的判斷、估計及假設。然而，該等假設及估計之不確定性可能導致未來對受影響資產或負債之賬面值作出重大調整。

#### 判斷

於應用本集團之會計政策時，除該等相關估計外，管理層已作出如下判斷，對財務報表確認之金額具有最重大影響：

#### 開發成本

開發成本乃根據附註2.4內的會計政策予以資本化。成本初始資本化乃通常當一個產品開發項目達到一個界定里程碑時根據管理層對確定技術與經濟可行性作出之判斷。

### 2.3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

#### Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are disclosed in note 29.

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investment interests in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

#### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Company that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;

### 2.3. 主要會計判斷、估計及假設 (續)

#### 估計及假設

於結算日有重大風險導致下個財政年度資產及負債之賬面值須作重大調整而與未來有關的主要假設及估計不確定性的其他主要來源如下。

#### 非財務資產之減值

本集團於各報告日評估全部非財務資產是否存在任何減值跡象。商譽每年進行減值測試，及於該跡象存在之其他時間測試。其他非財務資產於出現其賬面值可能不可收回之跡象時進行減值測試。

#### 股份支付

本集團計算與僱員進行權益結算交易的成本乃參考權益工具於其授出日之公允值。估計公允值要求釐定授出權益工具之最適宜估值模式，這取決於授出條款與條件。該估計亦要求釐定估值模式之最適宜數據，包括購股權年期、波幅及股息收益率及對其所作之假設。該等假設及所用模式披露於附註29。

### 2.4. 主要會計政策概要

#### 附屬公司

附屬公司乃指本公司直接或間接控制其財務及營運政策而從其活動中獲益的實體。

附屬公司的業績中僅已收股息及應收股息列入本公司的利潤表。並非根據國際財務報告準則第5號所述而分類為持有以待銷售的本公司於附屬公司的投資權益，乃按成本減任何減值虧損列賬。

#### 關連方

在下列情況下，某一方將被視為與本集團有關連：

- (a) 該方直接或間接透過一個或多個中介：(i) 控制本集團，或為本集團所控制或本集團及他方共同控制；(ii) 擁有本公司的權益，並可對本集團施加重大影響；或(iii) 與他方共同控制本集團；
- (b) 該方為聯營實體；

# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

#### Foreign currency translation

The consolidated financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the Company, Dawnrays International Co., Ltd. ("Dawnrays International") and Dawnrays Pharma (Hong Kong) Limited ("Dawnrays Pharma"), is the Hong Kong Dollar. As at the reporting date, the assets and liabilities of these companies are translated into the presentation currency of the Group (RMB) at the exchange rates ruling at the balance sheet date and, their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

### 2.4. 主要會計政策概要 (續)

#### 關連方 (續)

- (c) 該方為合營實體；
- (d) 該方為本集團或其母公司的主要管理人員之一；
- (e) 該方為(a)或(d)項所述個人的直系親屬；或
- (f) 該方為直接或間接歸屬於(d)或(e)項所述個人所控制、與他方共同控制或施加重大影響，或擁有重大投票權的實體；或
- (g) 該方為本集團或任一集團內關聯實體的僱員終止受僱後福利計劃的受益人。

#### 外幣交易

該等合併財務報表以人民幣呈列。本集團各實體釐定其本身的功能貨幣，而各實體財務報表載列的項目以功能貨幣計算。外幣交易最初以交易當日的適用功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按結算日的適用功能貨幣匯率再換算。所有差額均計入損益，惟與國外實體的投資淨額對沖的外幣借貸差額則除外。該等差額會直接計入權益，直至出售該投資淨額才確認損益。而該等借貸差額之稅項及減免亦將計入權益。以外幣列值及按歷史成本計算的非貨幣項目，乃按交易當日的匯率換算。以外幣列值及按公允值計算的非貨幣項目，須按釐定公允值當日的匯率換算。

本公司、東瑞國際有限公司(「東瑞國際」)及東瑞藥業(香港)有限公司(「東瑞藥業」)的功能貨幣為港元。於結算日，該等公司的資產與負債按結算日的匯率換算為本集團的呈列貨幣(人民幣)，而利潤表則按年度的加權平均匯率換算。報表折算差額直接計入一個單獨的權益科目。

### 2.4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of such property, plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Machinery and other equipment	5 to 10 years
Office equipment	5 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each financial year end.

#### Construction in progress

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is transferred to the appropriate category of property, plant and equipment when completed and ready for use.

#### Borrowing costs

Borrowing costs are recognised as an expense when incurred.

#### Land use rights

Land use rights represent prepaid land lease payments under operating leases, which are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

### 2.4.主要會計政策概要(續)

#### 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及任何累計減值列賬。有關成本包括符合確認條件的該物業、廠房及設備重置成本。折舊乃按每項物業、廠房及設備的估計可使用年期以直線基準撇銷成本值至剩餘價值計算。物業、廠房及設備估計可使用年期如下：

樓宇	20年
機器及其他設備	5至10年
辦公設備	5年
汽車	5年

倘發生任何事件或環境變化，顯示物業、廠房及設備的賬面值可能無法收回，則會檢討其賬面值是否出現減值。

每次進行大檢時，其符合確認條件的成本則計入廠房及設備的賬面價值內。

當一項物業、廠房及設備處置或其使用或出售估計並無未來經濟效益時，則取消確認。於取消確認該資產時產生的任何收益或虧損(以處置所得款項淨額與該項目的賬面值的差額計算)乃計入該資產取消確認年度的利潤表內。

剩餘價值、可使用年期及折舊方法於每個結算日進行檢討並作適當調整。

#### 在建工程

在建工程指興建中的物業、廠房及設備，並以成本扣除減值虧損入賬及不予折舊。成本包括興建期間之直接興建成本。當在建工程完工並可使用時，即會轉撥為適當類別的物業、廠房及設備。

#### 借貸成本

借貸成本於發生時確認為開支。

#### 土地使用權

土地使用權指按經營租約而支付的預付土地租賃款項，最初以成本列賬，隨後以直線法按租賃期予以確認。



### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Business combinations and goodwill

Business combinations are accounted for using the purchase method.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

#### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets of the Group are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or expected pattern of consumption of the future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

### 2.4. 主要會計政策概要 (續)

#### 業務合併及商譽

業務合併採用購買法列賬。

商譽初始按成本(即業務合併成本超過本集團佔被收購方可識別資產、負債及或然負債公允價值之部份)計量。於初始確認後，商譽按成本減任何累積減值虧損列賬。為進行減值測試，自收購日起業務合併產生之商譽將分配至預計將受益於合併之協同效應之本集團各個現金產生單位，而毋須慮及本集團有否將其他資產或負債分配至該等單位。

當商譽構成現金產生單位之一部份而該單位經營之一部份已出售時，已出售經營相關之商譽於釐定出售該經營之損益時將列入該經營之賬面值。該情況下之已出售商譽將根據已出售商譽之相關價值及現金產生單位所保留之部份列賬。

當本集團購入一項業務時，被收購方從主合約分離的嵌入式衍生工具並無於收購時重新評估，除非該業務合併令合約出現變動而導致對合約原先所需的現金流量作重大修訂。

#### 無形資產

單獨收購的無形資產於初次確認時按成本計量。其後，無形資產按成本減任何累計攤銷及任何累計減值虧損列賬。內部產生的無形資產(不包括資本化的開發成本)不得資本化，並於有關開支產生時自該年度溢利中扣除。本集團無形資產被評估為有限的可使用年期。有限年期的無形資產按其可使用經濟年期予以攤銷，並於無形資產出現減值跡象時評估減值。有限年期無形資產的攤銷期及攤銷方法至少須於每個財政年度終結日進行檢討。預期資產可使用年期變化或預期資產未來經濟利益消耗方式的變化乃透過更改攤銷期或方法(按適用者)列賬，並按會計估計變動處理。有限年期無形資產的攤銷按與無形資產功能一致的開支，於利潤表中確認為開支入賬。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Research and development costs

All research costs are charged into the income statement as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Following the initial recognition of the development expenditure, a cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years, commencing from the date when the products are put into commercial production.

The carrying value of development costs is reviewed for impairment annually during the period of development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

#### Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

### 2.4. 主要會計政策概要(續)

#### 研發成本

所有研究開支於產生時計入利潤表。單獨立項產生的開發開支，僅於本集團在技術可行性上可完成該項無形資產，令其可使用或出售、有意完成及有能力使用或出售該資產、資產可於日後產生經濟利益、有資源可供完成項目及有能力於開發時可靠地計量開支時確認為無形資產。其後，該無形資產按成本減任何累計攤銷及任何累計減值虧損列賬。任何已資本化的開支按相關產品不多於十年(由產品投入商業生產日期開始)的商業期間以直線法攤銷。

如某資產尚未使用，開發成本的賬面值會每年作減值檢討。

取消確認無形資產產生的盈虧按資產處置所得款項淨額及賬面值的差額計算，並於資產取消確認時於利潤表確認。

#### 非財務資產減值

本集團於各報告日評估資產有否出現減值跡象。倘出現減值跡象，或有需要為資產每年進行減值測試，本集團會估計資產的可回收金額。除非某類資產產生的現金流量不能獨立於其他單項或多項資產所產生的現金流量，否則資產的可回收金額按資產或現金產生單位的使用價值與其公允價值減銷售成本售價淨額較高者計算，並按個別資產釐定。當資產的賬面值超過可回收金額時，資產將被視為減值，其賬面價值降至可回收金額。評估使用價值時是以除稅前的折扣率計算預計未來的現金流量的現值，而該折扣率反映當時市場對貨幣時值的評估及該項資產的特有風險。減值虧損按與減值資產功能一致的開支，於利潤表中確認為開支入賬。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss other than goodwill is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any dividends on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

### 2.4. 主要會計政策概要 (續)

#### 非財務資產減值 (續)

每個結算日會評定是否有跡象顯示之前已確認的減損不再存在或減少。倘出現該等跡象，則會估計可回收金額。如用以釐定資產的可回收金額的估計自從最近一次確認減值虧損後出現變動，則之前確認的資產減損(商譽除外)予以撥回。彼資產的可回收金額自從最近一次確認減值虧損後出現變動，資產的賬面值將增加至其可回收金額。惟增加金額不得超過倘過往年度並無就資產確認減損而釐定的賬面值(經扣除任何折舊)。撥回的減損於所產生期間的損益表入賬。於撥回後，折舊開支於日後期間作出調整，即以有系統基準按餘下使用年期，以資產的經修訂賬面值減任何剩餘價值。

#### 投資及其他財務資產

按照國際會計準則第39號，財務資產可分為四類：按公允值記入損益表的財務資產，貸款及應收款項，持至到期日的投資及可供出售的財務資產(如適用)。財務資產在初始確認時以公允值計量，非按公允值記入損益表者則加上直接應佔交易成本計量。本集團首次成為某合約的訂約方時，會評估該合約是否包含內嵌式衍生工具，當該合約條款的轉變根據合約將對現金流量有重大影響時才進行重估。本集團在初始確認時確定財務資產並在適當及容許的情況下於各財政年度終結時重新評估有關分類。

所有正常購買或銷售的財務資產在交易日，即本集團承諾購買資產的日期確認。正常購買或銷售資產是指按照市場規定或慣例在一定日期內進行資產交割。

#### 按公允值記入損益表的財務資產

按公允值記入損益表的財務資產包括以交易為目的而持有財務資產及於首次確認時被劃分為按公允值列賬且變動計入損益的財務資產。財務資產如以短期賣出為目的而購買，則分類為以交易為目的而持有的投資。以交易為目的而持有的投資的公允值變化在利潤表中確認。於利潤表確認之公允值損益淨額並不包括該等財務資產賺取之任何股息，該等股息根據下文「收益確認」一節所述政策確認。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost less any allowance for impairment. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other three categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as separate components of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as "Other income" in accordance with the policies set out for "Revenue recognition" below. Losses arising from the impairment of such investments are recognised in the income statement as "Impairment losses on available-for-sale financial assets" and are transferred from the available-for-sale investment revaluation reserve.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

### 2.4. 主要會計政策概要 (續)

#### *貸款和應收款項*

貸款和應收款項為具有固定的或可確定現金付款，但在活躍市場中無報價的非衍生財務資產。這類資產面值為用實際利率法計算的攤銷成本減去減值撥備。攤銷成本計及任何收購折價或溢價，且包括為實際利率及交易成本的組成部分的費用。貸款和應收款項被取消確認、發生減值或進行攤銷時產生的盈虧計入利潤表。

#### *持至到期日的投資*

持至到期日的投資乃指付款金額固定或可以確定，有固定到期日且本集團管理層有明確意向及能力持有至到期日之非衍生工具財務資產。持至到期日的投資其後按攤銷成本減去減值撥備計量。該成本指首次確認金額減本金還款額，再加上或扣除以實際利息計算法就首次確認金額與到期金額的任何差額而計算的累計攤銷。計算範圍包括訂約各方所付或所收的一切費用及代價、其為實際利率交易成本及其他所有溢價及折讓不可分割的一部份。在該投資被取消確認、減值或在攤銷過程中時，其盈虧乃於收入內確認。

#### *可供出售的財務資產*

可供出售財務資產包括可供出售的上市或非上市的債權或權益類證券，或是不能分到其他三類的非衍生財務資產。初始確認後，可供出售的投資的公允值變化在權益中單獨確認，當該資產被取消確認時，將其以前在權益中確認的累計收益或損失轉入利潤表中。所得利息及股息分別作為權益收入及股息收入報告，並根據下文「收入確認」載列之政策以「其他收入」於利潤表中確認。該等投資之減值產生之虧損以「可供出售財務資產減值虧損」於利潤表中確認，並自可供出售投資重估儲備中轉入。

由於 (a) 合理的公允值的估計存在重大可變性；或 (b) 在一定範圍內各種估計的可能性不能合理評估並用於估算公允值，故非上市的債權或權益類證券的公允值不能可靠計量，則有關證券以成本減任何減值虧損計價。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Fair value*

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. These techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; a discounted cash flow analysis and option pricing models.

#### *Impairment of financial assets*

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

#### *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

### 2.4. 主要會計政策概要 (續)

#### *公允值*

在金融市場活躍交易的投資的公允值取決於結算日的市場收盤價。如某項投資的市場不活躍，公允值將採用估值方法確定。該等方法包括參考近期發生的同等交易，其他大致類同的金融工具現行市場價格、現金流折現分析和期權定價模型。

#### *財務資產減值*

本集團於各結算日評估財務資產或一組財務資產有否出現減值。

#### *按攤銷成本列值的資產*

如果有客觀跡象表明貸款和以攤銷成本計價的應收款項已經出現了減值虧損，資產的賬面價值與估算未來的現金流（不包括未來出現信貸損失）以原始實際利率（即在初步確認階段計算的實際利率）折現的現值之間差額確認減值虧損。有關的賬面值可通過直接沖減資產賬面價值或者使用備抵科目來抵減資產賬面價值。有關減值虧損在利潤表中確認。當未來收回不可實現時，將撤銷貸款及應收款項連同任何相關撥備。

如果在以後的期間，減值虧損的金額減少，且這種減少客觀上與減值虧損確認時發生的事項相關聯，則先前確認的減值虧損可從利潤表中轉回。減值虧損於其後的任何撥回於利潤表中確認，惟該資產於撥回日期的賬面值不得超逾其攤銷成本。

對於應收貿易賬項，如果有客觀跡象（例如債務人很可能出現無力償債或重大財務困難）表明本集團不可能全數收回在原有發票條款下應收的賬項，則需作出撥備。有關應收賬項的賬面值通過使用備抵科目予以抵減。當被評估為不可收回時，減值債項則被取消確認。



### 2.4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

#### Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

#### Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	Purchase cost on a weighted-average basis;
Finished goods and work in progress	Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is based on estimated selling price in the ordinary course of business, less any estimated costs to be incurred to completion and disposal.

### 2.4.主要會計政策概要(續)

#### 按成本列值資產

倘有客觀證據證明非上市股本工具的減值虧損由於未能可靠計量其公允值，故並非按公允值列值，或衍生資產與非上市股本工具有關並必須以該等非上市股本工具結算時，虧損的數額按資產賬面值及估計未來現金流量的現值（按類似財務資產目前市場回報作折扣）的差額計算。該等資產的減值虧損不得予以撥回。

#### 可供出售的財務資產

如果可供出售的財務資產出現減值，包含其成本（扣除任何本金付款及攤銷）及其當前公允值之差額，在扣除過往確認之任何減值虧損後，由股本賬轉移至利潤表。當可供出售證券投資之公允值大幅或持續低於其成本或有其他客觀證據顯示減值存在，將對可供出售證券投資作出減值撥備。釐定「大幅」或「持續」之界定須作出判斷。此外，本集團亦評估股價波幅等其他因素。歸類為可供出售之股本工具之減值虧損不可透過利潤表撥回。

#### 存貨

存貨按成本及可變現淨值兩者的較低者列賬。

將產品運至現址和變成現狀的成本的會計處理方法如下：

原材料	採購成本（按加權平均法釐定）；
製成品及在製品	直接材料、直接人工成本，以及根據正常運作能力按適當比例分配的製造費用比例，但不包括借貸成本。

可變現淨值則按一般營運過程的估計售價減完成及出售時產生的任何估計成本計算。



### 2.4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Trade and other receivables

Trade and notes receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and notes receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade and notes receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative expenses. When any trade or notes receivable is uncollectible, it is written off against the allowance account for trade receivables.

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

### 2.4.主要會計政策概要(續)

#### 應收貿易賬款及其他應收款項

應收貿易及票據款項初步按公平值確認，而後採用實際利息法按已攤銷成本扣除減值撥備計量。當有客觀證據顯示本集團將無法按照應收貿易及票據款項之原有條款收回所有到期款項時，則須就該等應收款項確認作出撥備。債務人處於重大財務困難、債務人將可能進入破產或財務重組以及拖欠付款均視為應收貿易及票據款項出現減值之跡象。撥備金額為該項資產的帳面值與按原有實際利率折扣的估計未來現金流量之現值兩者之差額。該等資產之賬面值乃透過使用備抵賬予以調減，而虧損金額則於利潤表內確認為「行政費用」。當應收貿易及票據款項無法收回時，則於應收貿易款項之備抵賬內予以撇銷。

#### 現金及現金等價物

就合併現金流量表而言，現金及現金等價物指手頭現金及活期存款，以及可隨時轉換為已知金額的現金且價值變動風險不大且期限較短（一般自購入起計三個月內到期）之短期高流動性投資（經扣減須按時還款並構成本集團整體現金管理一部分之銀行透支）。

就資產負債表分類而言，現金及銀行結餘指手頭及銀行現金，包括不限用途之定期存款。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

#### Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and notes payables, bank advances for discounted bills, other payables and accruals and income tax payable are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within “finance costs” in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

### 2.4. 主要會計政策概要 (續)

#### 取消確認財務資產

在下列情況下，將取消確認財務資產（或（如適當）一項財務資產的一部份或一組同類財務資產的一部份）：

- 可獲取資產所得現金流量的權利期滿；
- 本集團保留可獲取資產所得現金流量的權利，但已承擔根據交付協議須無重大延誤地按「轉移」協議向其向第三方悉數清償；或
- 本集團已轉讓其可獲取資產所得現金流量的權利，並 (a) 轉讓資產絕大部份的風險及回報，或 (b) 既無轉讓亦無保留資產絕大部份的風險及回報，但已轉讓資產的控制權。

倘本集團已轉讓其可獲取資產所得現金流量的權利，但既無轉讓亦無保留資產絕大部份的風險及回報，亦無轉讓資產的控制權，則本集團將繼續確認該資產，惟以該資產持續相關部份為限。以轉讓資產擔保形式發生的持續相關乃按該資產的原賬面值及本集團須支付的最高代價額（以較低者為準）計算。

倘持續相關以轉讓資產書面及／或購買期權（包括現金結算期權或類似條文）形式發生，則本集團的持續相關部份為本集團購回的轉讓資產部份。倘資產的書面認沽期權（包括現金結算期權或類似條文）按公允值計算，則本集團的持續相關部份僅限於轉讓資產的公允值及期權行使價兩者的較低者。

#### 按攤銷成本列值的財務負債（包括計息貸款及借款）

包含應付貿易及票據款項、銀行貼現票據墊款、其他應付款及應計負債以及應付所得稅在內的財務負債初步按公允值減交易涉及直接應佔交易成本列賬，其後以實際利率法按攤銷成本列賬，惟貼現的影響非屬重大除外，在此情形下，則按成本列值。相關利息費用乃於利潤表內確認為「財務費用」。

所得收益或虧損，乃在取消確認負債時，以及通過攤銷過程，在利潤表中確認。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

#### Retirement benefits schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China (the "Mainland China Subsidiaries") are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

#### Accommodation benefits

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to the income statement as incurred.

### 2.4. 主要會計政策概要 (續)

#### 取消確認財務負債

債務被解除或取消或到期時，取消確認財務負債。

倘現有財務負債由同一貸方授予條款迥異的其他債項取代，或現有財務負債的條款經重大修訂，則該等變更或修訂視作取消確認原負債及確認新負債，各賬面值的差額於利潤表確認。

#### 撥備

當因過往事件而有法定或推定債務，而且日後可能需要流出資源以償付該債務時，並在能夠對該債務金額作出可靠估計之情況下確認撥備。

當折扣的影響重大時，則所確認之撥備金額為預期須償付該債務之未來開支於結算日之現值。因時間推移產生之折扣現值金額增加乃計入利潤表中財務費用項下。

#### 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參加強制性公積金計劃的僱員設立一個定額供款強制性公積金計劃（「強積金計劃」）。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期支付時自利潤表中扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。本集團的僱主供款於向強積金計劃供款時全數歸僱員所有；惟根據強積金計劃的規則，本集團的僱主自願供款，在僱員未能享有全數供款前離職的情況下，可退回本集團。

本集團於中國大陸營運的附屬公司（「中國大陸附屬公司」）的員工均須參予由當地政府運作的中央退休計劃。供款根據中央退休計劃的規則於到期日支付時自利潤表中扣除。

#### 住房福利

有關對由中國大陸公積金管理中心管理的住房公積金的供款，乃於產生時自利潤表扣除。

## 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants (the Company's directors, employees of the Group and other eligible participants) of the Group receive remuneration in the form of share-based payment transactions, whereby eligible participants render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with eligible participants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes-Merton valuation model, further details of which are given in note 29. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the eligible participants become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the participants as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

## 2.4. 主要會計政策概要(續)

### 以股份支付的交易

本公司設立一項購股權計劃作為給予為本集團業務成功作出貢獻的合資格參與者的激勵及獎勵。本集團的合資格參與者(本公司董事、本集團僱員及其他合資格參與者)按以股份支付交易的方式收取酬金，合資格參與者則提供服務以作為收取股本工具的代價(「股本結算交易」)。

與合資格參與者進行股本結算交易的成本，乃參考授出股本當日的公允值計算。公允值乃按柏力克-舒爾斯估值模式釐定，有關詳情載於附註29。對股本結算交易作出估值時，並無計及任何績效條件，惟對本公司股價有影響的條件(「市況」)(如適用)除外。

股本結算交易的成本連同權益的相應升幅，於達到績效及/或服務條件的期間內確認，直至相關合資格參與者完全享有該報酬之日(「歸屬日」)為止。由每個結算日直至歸屬日就股本結算交易確認的累積支出，反映歸屬期屆滿部份以及本集團對最終將會歸屬的股權工具數目的最佳估計。在某一期間內在利潤表內扣除或進賬，乃反映累計開支於期初與期終確認時的變動。

尚未完全歸屬的報酬不會確認支出，除非歸屬的報酬附帶市況條件，則該情況下不論是否達到該市況均會視作歸屬處理，惟其他所有績效條件必須達成。

當股本結算報酬的條款修訂時，會確認最少的支出，猶如條款並無修訂一般。此外，因修訂而導致以股份支付的安排的總公允值有所增加，或對參與者帶來利益，均會按修訂當日的計算確認支出。

當股權結算報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認的任何支出會即時確認。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬的修訂般處理。

未行使購股權的攤薄影響會入賬為計算每股盈利時的額外股份攤薄。

# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Operating leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

Where the Group is the lessee, operating lease payments are recognised as an expense in the income statement on the straight-line basis over the lease term.

#### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

#### Interest income

Revenue is recognised as interest accrues (using the effective interest rate, that is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset);

#### Dividend income

Revenue is recognised when the shareholders' right to receive payment has been established.

#### Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

### 2.4. 主要會計政策概要 (續)

#### 經營租約

判斷一項安排是或者包括一項租賃須根據安排的內容釐定，並須評估履行安排是否須視乎使用特定資產或資產等及安排有否轉移資產使用權。

倘本集團為承租者，則按該等經營租約的應付租金按有關租期，以直線法於利潤表中列支。

#### 收益確認

收益乃於經濟利益極有可能歸本集團所有，並能以可靠方式計算時確認。

收益須待達致下列基準後方可確認：

#### 銷售貨品

收益會在貨品擁有權的重大風險及回報已轉移至買方後確認入賬，屆時本集團不再擁有一般與擁有權相關的管理權或已售出的貨品的控制權；

#### 利息收入

收益會按應計利息（以按金融工具的估計使用年期用實際利率將未來估計的現金收入折現為財務資產的賬面淨值的同一比率）確認；

#### 股息收入

收益會在股東收取款項的權利被確立時確認。

#### 政府撥款

政府撥款於可合理地保證將會獲得撥款，以及將遵守所有附帶條件時予以確認。倘撥款與一項費用有關，即按其擬補償的費用所屬的期間根據系統化基準確認為收入。倘撥款與一項資產有關，即將其公允值撥入遞延利潤賬，並於有關資產的預計可使用年內以等額年金撥往利潤表。

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

#### Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 2.4. 主要會計政策概要 (續)

#### 所得稅

所得稅包括當期稅項及遞延稅項。與直接於權益中確認的項目相關的所得稅於權益中而非利潤表中確認。

#### 當期稅項

當前及過往期間的當期稅項資產及負債按預期可收回或支付予稅務機構的金額計量。該等金額乃採用結算日前已立例制定或大致上已立例制定的稅率及稅務法例計算。

#### 遞延稅項

在結算日時資產及負債的稅基與其就財務報告而言的賬面值之間的所有時間性差異，須按負債法計提遞延稅項撥備。

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於在一宗非屬業務合併的交易中初步確認商譽或資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，以及暫時性差異不甚可能在可見將來撥回。

對於所有可扣減暫時性差異、結轉的未用稅項資產及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、結轉的未用稅項資產及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟下列各點除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初步確認資產或負債，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及附屬公司投資的可扣減暫時性差異而言，只有在時間性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。



# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income taxes (continued)

##### Deferred tax (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheets, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### 2.5. FUTURE CHANGES IN ACCOUNTING POLICIES

The Group has not applied the following new and revised IFRSs and IFRIC Interpretations that have been issued but are not yet effective, in the financial statements unless otherwise stated.

IAS 23 (revised)	Borrowing Costs
IFRS 8	Operating Segments
IFRIC 11	IFRS2 – Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

### 2.4. 主要會計政策概要 (續)

#### 稅項 (續)

##### 遞延稅項 (續)

遞延稅項資產的賬面值，在每個結算日予以審閱。若不再可能有足夠應課稅利潤用以抵扣相關稅項資產的全部或部分，則扣減遞延稅項資產賬面值。未被確認遞延稅項資產於各結算日進行重新評估，並當可能有足夠應課稅溢利讓遞延稅項資產被動用時確認。

遞延所得稅資產和負債仍按資產變現或負債清償的期間預期適用的稅率計算，並以結算日當日已經生效或大致上已經生效的稅率（及稅法）為基準。

倘若存在法律上可強制執行的權利，可將有關同一課稅實體及同一稅局的即期稅項資產及遞延稅項抵銷，則對銷遞延稅項資產與遞延稅項負債。

#### 股息

董事擬派的末期股息於股東在股東大會上批准派發股息前乃於資產負債表的權益部分中列作獨立分配的留存溢利。當上述股息取得股東批准並宣派，則確認為負債。

由於本公司組織章程大綱及公司組織章程細則賦予董事宣派中期股息的權力，本公司可同時建議及宣派中期股息。因此，中期股息於建議及宣派時即時確認為負債。

### 2.5. 會計政策之未來變動

除另有訂明外，本集團並無於財務報表應用下列已頒佈惟尚未生效的新訂及經修訂國際財務報告準則及國際財務報告詮釋委員會詮釋。

《國際會計準則》第23號(經修訂)	借貸成本
《國際財務報告準則》第8號	經營分部
《國際財務報告詮釋委員會》第11號	國際財務報告準則第2號—集團及庫務股份交易
《國際財務報告詮釋委員會》第12號	特許權服務協議
《國際財務報告詮釋委員會》第13號	客戶忠誠計劃
《國際財務報告詮釋委員會》第14號	國際會計準則第19號—界定福利資產的限制、最低資金要求及兩者的互動關係

### 2.5. FUTURE CHANGES IN ACCOUNTING POLICIES (continued)

#### IAS 23 (revised) Borrowing Costs

IAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provisions in the revised standard, the Group shall apply the revised standard on a prospective basis to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The Group expects to adopt IAS 23 (revised) from 1 January 2009.

#### IFRS 8 Operating Segments

IFRS 8, which will replace IAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Company operates, and revenue from the Group's major customers. The Group expects to adopt IFRS 8 from 1 January 2009.

#### IFRIC 11 IFRS2 – Group and Treasury Share Transactions

IFRIC 11 requires arrangements whereby an employee is granted rights to the Company's equity instruments, to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

#### IFRIC 12 Service Concession Arrangements

IFRIC 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements.

IFRIC 12 also addresses how an operator shall apply existing IFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. No member of the Group is an operator and hence this interpretation will have no impact on the Group.

### 2.5. 會計政策之未來變動 (續)

#### 《國際會計準則》第23號 (經修訂) 借貸成本

修訂後的國際會計準則第23號要求將收購、建造或生產合資格資產直接應佔的借貸成本予以資本化。根據該項經修訂準則中的過渡條文，本集團須按未來適用法將該項經修訂準則應用於與於二零零九年一月一日或之後開始資本化的合資格資產相關的借貸成本。本集團預期由二零零九年一月一日起採納國際會計準則第23號 (經修訂)。

#### 《國際財務報告準則》第8號 經營分部

《國際財務報告準則》第8號 (其將取代《國際會計準則》第14號「分部報告」) 訂明一間實體應如何根據該實體各組成部分的可供主要經營決策者用於分配資源予有關分部及評估其表現的資料，報告有關其經營分部的資料。該項準則亦要求披露有關分部所提供產品及服務、本公司經營所在的地區以及從本集團主要客戶賺取收入的資料。本集團預期由二零零九年一月一日起採納《國際財務報告準則》第8號。

#### 《國際財務報告詮釋委員會》第11號 《國際財務報告準則》第2號 – 集團及庫務股份交易

《國際財務報告詮釋委員會》第11號規定僱員所獲授本公司權益工具權利之安排須列為權益交易計劃，即使本集團向另一人士購入該等工具或股東提供所需之權益工具。由於本集團目前並無進行該等交易，因此此項詮釋不大可能對本集團造成任何財務影響。

#### 《國際財務報告詮釋委員會》第12號 特許權服務協議

《國際財務報告詮釋委員會》第12號規定經營者須根據特許權公共服務私營協議，基於合約協議的條款確認因提供建造服務 (作為財務資產及/或無形資產) 而已收或應收之代價。

《國際財務報告詮釋委員會》第12號亦闡明經營者應如何應用現有國際財務報告準則，以列入特許權服務協議所產生的責任及權利，而據此政府或公營部門批准已用於提供公共服務及/或供提供公共服務之用的基建合約。由於本集團所有成員並非經營者，因此此項詮釋對本並無影響。

### 2.5. FUTURE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

#### IFRIC 13 Customer Loyalty Programmes

IFRIC 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

#### IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 14 addresses how to assess the limit under IAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists.

As the Group currently has no customer loyalty award credits or defined benefit scheme, IFRIC 13 and IFRIC 14 are not applicable to the Group and therefore are unlikely to have any financial impact on the Group.

### 3. SEGMENT INFORMATION

The Group is principally engaged in one business segment, the development, manufacture and sale of medicines, and most of its operations and assets are located in Mainland China. Therefore, no business segment or geographical segment is presented.

### 2.5. 會計政策之未來變動(續)

#### 《國際財務報告詮釋委員會》第13號 客戶忠誠計劃

《國際財務報告詮釋委員會》第13號規定授予客戶的忠誠獎勵(作為銷售交易的一部分)均入賬列為銷售交易的獨立部分。於銷售交易中所收取代價乃於忠誠獎勵與銷售之其他部分兩者間予以分配。分配至忠誠獎勵之金額乃參照其公平值釐定，並予以遞延直至該等獎勵贖回或負債另行償清為止。

#### 《國際財務報告詮釋委員會》第14號 《國際會計準則》第19號 – 界定福利資產的限制、最低資金要求及兩者的互動關係

《國際財務報告詮釋委員會》第14號闡明如何根據《國際會計準則》第19號「僱員福利」評估有關界定福利計劃的未來供款退還或減少金額之限制，而該金額特別是當訂有最低資金要求時可確認為一項資產。

由於本集團目前並無客戶忠誠獎勵及界定福利計劃，故《國際財務報告詮釋委員會》第13號及《國際財務報告詮釋委員會》第14號不適用本集團，因此不大可能對本集團造成任何財務影響。

### 3. 分類資料

本集團主要經營一類業務，即開發、生產及銷售藥物業務，而其大部分經營業務及資產均位於中國大陸。因此，並無呈列業務分類或地區分類。

### 4. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gain is as follows:

### 4. 收入、其他收入及收益

收入(本集團營業額)指銷售貨品扣除退貨、交易折扣的發票淨額。

本集團收入、其他收入及收益分析如下：

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收入</b>		
Sale of goods	銷售貨品	<b>919,945</b>	788,797
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	<b>945</b>	858
Government grant	政府撥款	<b>50</b>	23
Dividend income from financial assets at fair value through profit or loss	按公允價值記入損益表之 財務資產的股息收入	<b>68</b>	2
Tax refund for reinvestment	再投資的退稅款	<b>1,265</b>	1,202
Others	其他	<b>690</b>	668
		<b>3,018</b>	2,753
<b>Gain</b>	<b>收益</b>		
Gain on disposal of financial assets at fair value through profit or loss	出售按公允價值記入損益表之 財務資產的收益	<b>1,302</b>	202
		<b>4,320</b>	2,955

### 5. FINANCE COSTS

### 5. 財務費用

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Interest on bank advances for discounted bills	銀行貼現票據墊款 利息	-	976

# Notes to the Financial Statements

## 財務報表附註

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### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

### 6. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)下列各項後釐定：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
		Notes 附註	
Cost of inventories sold	已售存貨成本		537,124
Depreciation	折舊	14	22,227
Recognition of land use rights*	土地使用權確認*	15	307
Research and development costs:	研究及開發成本：		
Amortisation of intangible assets**	無形資產攤銷**	17	790
Current year expenditure	本年度支出		16,055
			<b>18,815</b>
Minimum lease payments under operating leases:	經營租約下之最低租金：		
Buildings	樓宇		1,317
Auditors' remuneration	核數師酬金		855
Employee benefit expense	僱員福利開支		
(including directors' remuneration (note 7)):	(包括董事酬金(附註7))：		
Wages and salaries	工資及薪金		40,955
Equity-settled share option expense	以股權支付的購股權開支		405
Retirement costs	退休成本	9	3,444
Accommodation benefits	住房福利	9	1,763
			<b>53,248</b>
Foreign exchange differences, net***	匯兌差額，淨額***		587
Impairment of trade receivables	應收貿易款項減值	20	3,095
Write-down of inventories to net realisable value	存貨撇減至可變現淨值		2,792
Impairment losses of intangible assets****	無形資產減值虧損****	17	1,335
Fair value (gains)/losses, net:	公允值(收益)/虧損淨額：		
Financial assets at fair value through profit or loss	按公允值記入損益表之財務資產		(857)
Bank interest income	銀行利息收入		(858)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備等項目的虧損		1,392

\* The recognition of land use rights for the year is included in "Administrative expenses" on the face of the consolidated income statement.

\*\* The amortisation of intangible assets for the year is included in "Other expenses" on the face of the consolidated income statement.

\*\*\* The foreign exchange differences, net is included in "Other expenses" on the face of the consolidated income statement.

\*\*\*\* The impairment losses of intangible assets for the year is included in "Other expenses" on the face of the consolidated income statement.

\* 年內的土地使用權確認計入合併利潤表的「行政費用」。

\*\* 年內的無形資產攤銷計入合併利潤表的「其他費用」。

\*\*\* 匯兌差額淨額計入合併利潤表的「其他費用」。

\*\*\*\* 年內的無形資產減值虧損計入合併利潤表的「其他費用」。

### 7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

### 7. 董事酬金

根據上市規則及公司條例第 161 節所披露年內的董事酬金如下：

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Fees	袍金	408	368
Other emoluments:	其他薪酬：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,482	2,429
Employee share option benefits	以股權支付的僱員福利	178	51
Pension scheme contributions	退休金計劃供款	50	52
		<b>2,710</b>	2,532
		<b>3,118</b>	2,900

During the year, a director was granted share options, in respect of his services to the Group, under the share option scheme of the Group, further details of which are set out in note 29 to the financial statements. The fair value of the options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in this directors' remuneration disclosure.

年內，一位董事就其向本集團提供服務而根據本集團的購股權計劃獲授購股權，有關進一步詳情載於財務報表附註 29。購股權的公允值乃於利潤表按歸屬期確認，並於授出日期釐定，金額乃計入本年度財務報表的董事酬金披露資料內。

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

#### (a) 獨立非執行董事

本年度獨立非執行董事的袍金如下：

		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Mr. Pan Xue Tian	潘學田先生	111	98
Mr. Lee Cheuk Yin Dannis	李卓然先生	2	98
Mr. Choi Tat Ying Jacky	蔡達英先生	111	98
Mr. Sik Siu Kwan	薛兆坤先生	109	-
		<b>333</b>	294

There were no other emoluments payable to the independent non-executive directors during the year (2006: Nil).

本年度並無應付獨立非執行董事的其他酬金(二零零六年：無)。



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### 7. DIRECTORS' REMUNERATION (continued)

(b) Executive directors and a non-executive director

### 7. 董事酬金(續)

(b) 執行董事及一名非執行董事

		Salaries, allowances and benefits in kind	Employee share option benefits	Pension scheme contributions	Total remuneration	
		Fees 袍金	薪金、津貼 及實物利益	以股權支付 的僱員福利	退休金 計劃供款	酬金總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>2007</b>						
Executive directors:	執行董事：					
Ms. Li Kei Ling	李其玲女士	-	491	-	12	503
Mr. Hung Yung Lai	熊融禮先生	-	491	-	12	503
Mr. Li Tung Ming	李東明先生	-	491	-	12	503
Mr. Xu Kehan (Resigned on 18 March 2007)	許克寒先生 (於二零零七年 三月十八日辭任)	-	130	6	3	139
Mr. Gao Yi	高毅先生	-	879	172	11	1,062
		-	2,482	178	50	2,710
Non-executive director:	非執行董事：					
Mr. Leung Hong Man	梁康民先生	75	-	-	-	75
		75	2,482	178	50	2,785
<b>2006</b>						
Executive directors:	執行董事：					
Ms. Li Kei Ling	李其玲女士	-	518	-	12	530
Mr. Hung Yung Lai	熊融禮先生	-	518	-	12	530
Mr. Zhang Jing Xing (Resigned on 9 May 2006)	張京星先生 (於二零零六年 五月九日辭任)	-	183	-	4	187
Mr. Li Tung Ming	李東明先生	-	518	-	12	530
Mr. Xu Kehan	許克寒先生	-	692	51	12	755
		-	2,429	51	52	2,532
Non-executive director:	非執行董事：					
Mr. Leung Hong Man	梁康民先生	74	-	-	-	74
		74	2,429	51	52	2,606

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無董事放棄或同意放棄任何酬金的安排。

### 8. FIVE HIGHEST PAID EMPLOYEES

The five (2006: five) highest paid employees during the year included three (2006: two) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining two (2006: three) non-director, highest paid employees for the year are as follows:

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,078	2,308
Employee share option benefits	以股權支付的僱員福利	44	83
Pension scheme contributions	退休金計劃供款	20	25
		<b>1,142</b>	<b>2,416</b>

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

### 8. 五位最高薪僱員

年內五位(二零零六年:五位)最高薪僱員包括三位(二零零六年:二位)董事,詳情載於上文附註7。餘下二位(二零零六年:三位)非董事最高薪僱員於年內的薪酬如下:

		<b>Number of employees</b>	
		<b>僱員人數</b>	
		<b>2007</b>	2006
		二零零七年	二零零六年
Nil to HK\$1,000,000	零至1,000,000港元	2	3

酬金金額介乎下列組別的非董事及最高薪酬員工的人數如下:

### 9. RETIREMENT BENEFITS AND ACCOMODATION BENEFITS

In compliance with the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance"), the Company and Dawnrays Pharma (Hong Kong) Limited have participated in the MPF scheme, a defined contribution scheme managed by an independent trustee, to provide retirement benefits to its Hong Kong employees. Contributions to the MPF scheme are made in accordance with the statutory limits prescribed by the MPF Ordinance.

As stipulated by the People's Republic of China (the "PRC") state regulations, the Mainland China Subsidiaries participate in a defined contribution retirement scheme. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount of the geographical area of their last employment at their retirement date. The Mainland China Subsidiaries are required to make contributions to the local social security bureau at 20% to 22% (2006: 20% to 22%) of the previous year's average basic salary amount of the geographical area where the employees are under employment with the Mainland China Subsidiaries.

The Group has no obligation for the payment of pension benefits beyond the annual contributions as set out above.

According to relevant rules and regulations of the PRC, the Mainland China Subsidiaries and their employees are each required to make contributions to an accommodation fund at 7% to 10% (2006: 7% to 10%) of the salaries and wages of the employees which is administered by Public Accumulation Funds Administration Centre. There is no further obligation on the part of the Group except for such contributions to the accommodation fund.

As at 31 December 2007, the Group had no significant obligation apart from the contributions as stated above.

### 9. 退休福利及住房福利

遵照《強制性公積金計劃條例》(「強積金條例」)的規定，本公司及東瑞藥業(香港)有限公司已加入一項強積金計劃(由獨立信託人管理之定額供款計劃)，為香港僱員提供退休福利。向強積金計劃作出的供款乃按照強積金條例所訂明的規定限額為定。

據中國國家法規規定，中國大陸附屬公司須參與養老保險計劃。所有僱員於其退休日均有權享按彼等最後受聘地的平均基本薪金的固定比例計算的年度退休金。中國大陸附屬公司須向當地社會保障局供款，供款按僱員受僱於中國大陸附屬公司地區去年的平均基本薪金的20%至22%(二零零六年：20%至22%)計算。

除上述的年度供款外，本集團並無義務支付其他退休福利。

根據中國的有關規則及法規，中國大陸附屬公司及彼等僱員各自須按僱員的薪金及工資的7%至10%(二零零六年：7%至10%)向一項由公積金管理中心管理的住房基金供款。除該項向有關住房基金的供款外，本集團並無其他責任。

於二零零七年十二月三十一日，除上述供款外，本集團並無其他重大責任。

### 10. TAX

The major components of income tax expense for the years ended 31 December 2007 and 2006 are:

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<i>Current income tax</i>	<i>當期所得稅</i>		
Current income tax charge	當期所得稅支出	<b>10,440</b>	4,368
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅調整	<b>153</b>	(262)
Deferred income tax ( <i>note 27</i> )	遞延稅項(附註27)	<b>(213)</b>	(655)
		<b>10,380</b>	3,451

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations. The undertaking for the Company is for a period of 20 years from 8 October 2002. Accordingly, the Company is not subject to tax.

Pursuant to the International Business Companies Act, 1984 ("IBC Act") of the British Virgin Islands, International Business Companies incorporated pursuant to the IBC Act enjoy a complete exemption from income tax. This includes an exemption from capital gains tax, and all forms of withholding tax. Accordingly, Dawnrays International is not subject to tax.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2006: Nil).

According to the Income Tax Law of the PRC, three subsidiaries of the Company, namely Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical"), Suzhou Dawnrays Chemical Co., Ltd. ("Suzhou Dawnrays Chemical"), and Shanghai Dawnrays Chemical Co., Ltd. ("Shanghai Dawnrays Chemical") are exempted from corporate income tax of the PRC for the two years starting from the first profitable year of operation, after setting off losses carried forward, and are entitled to a 50% relief from corporate income tax of the PRC for the following three years.

### 10. 稅項

截至二零零七年及二零零六年十二月三十一日止年度所得稅支出的主要組成部分如下：

		<b>Group</b>	
		<b>本集團</b>	
		<b>2007</b>	2006
		二零零七年	二零零六年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
<i>Current income tax</i>	<i>當期所得稅</i>		
Current income tax charge	當期所得稅支出	<b>10,440</b>	4,368
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅調整	<b>153</b>	(262)
Deferred income tax ( <i>note 27</i> )	遞延稅項(附註27)	<b>(213)</b>	(655)
		<b>10,380</b>	3,451

根據開曼群島稅務豁免法(一九九九年修訂本)第6條,本公司已獲得總督會同行政局保證:開曼群島並無法律對本公司或其業務的所得溢利、收入、收益或增值徵稅。對本公司的承諾將由二零零二年十月八日起有效二十年。因此,本公司毋須納稅。

根據英屬處女群島頒佈的一九八四年國際商業公司法(「國際商業公司法」),根據國際商業公司法註冊成立的國際商業公司可享有全數所得稅豁免,包括資本收益稅及任何形式的預扣稅豁免。因此,東瑞國際毋須納稅。

由於本集團於本年度在香港並無產生應課稅溢利,故並無就香港利得稅作出撥備(二零零六年:無)。

根據中國所得稅法律,本公司三間附屬公司,即蘇州東瑞製藥有限公司(「蘇州東瑞製藥」)、蘇州東瑞化工有限公司(「蘇州東瑞化工」)及上海東瑞化工有限公司(「上海東瑞化工」),由首個經營獲利年度起計獲豁免中國企業所得稅兩年(彌補以前年度虧損後),並在其後三年有權獲得減免中國企業所得稅50%。

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### 10. TAX (continued)

Suzhou Dawnrays Pharmaceutical is in its seventh profitable year of operation in 2007 and therefore its applicable income tax rate should have been 24%. However, Suzhou Dawnrays Pharmaceutical has obtained tax approval from the relevant tax authorities as a qualified foreign-owned manufacturing enterprise engaging in technology-intensive and knowledge-intensive projects ("Double-intensive Enterprise"). According to PRC tax laws and regulations, Suzhou Dawnrays Pharmaceutical is subject to corporate income tax of the PRC at a rate of 15% from 1 January 2003 onwards. Its status as a Double-intensive Enterprise is subject to periodic reassessment by the relevant PRC government authorities. Suzhou Dawnrays Pharmaceuticals has also obtained approval as an Advanced Technology Enterprise which enables it to enjoy 50% deduction of corporate income tax rate but the rate cannot be less than 10%. Moreover, the paid-up capital of Suzhou Dawnrays Pharmaceutical was increased by US\$15,000,000 from US\$10,000,000 to US\$25,000,000 in 2004. According to PRC tax laws and regulations, taxable profit generated in the first two years and the three years thereafter from the aforesaid additional capital are exempted from corporate income tax and taxed at a 50% reduced rate respectively.

Shanghai Dawnrays Chemical is in its sixth profitable year of operation, based on its statutory financial report. It is subject to corporate income tax of the PRC at a rate of 24% and local corporate income tax at a rate of 3% in 2007.

Suzhou Dawnrays Chemical is in its third profitable year of operation, based on its statutory financial report. It is subject to corporate income tax in the PRC at a rate of 12% in 2007.

A reconciliation between tax expense and the product of accounting profit multiplied by the PRC's domestic tax rate for the years ended 31 December 2007 and 2006 is as follows:

### 10. 稅項(續)

蘇州東瑞製藥於二零零七年為第七個溢利年度，因此其適用所得稅率本應為24%。然而，蘇州東瑞製藥獲認定為一家從事技術密集、知識密集型項目的生產性外商投資企業（「兩個密集型企業」），並獲得有關稅務機構批准稅收優惠。根據中國稅法及規例，蘇州東瑞製藥由二零零三年一月一日起按15%稅率繳納中國企業所得稅。「兩個密集型企業」的認定須經由有關中國政府當局定期重新評估。蘇州東瑞製藥亦獲認定為先進技術企業，從而可獲減免50%的中國企業所得稅，但其稅率不得低於10%。另外，蘇州東瑞製藥的繳足股本於二零零四年增資15,000,000美元，由10,000,000美元增至25,000,000美元。根據中國稅法及規例，上述增資產生的應課稅溢利於首兩年獲豁免中國企業所得稅，並於其後三年獲減免50%稅率。

上海東瑞化工根據法定財務申報收入而言為第六個溢利年度，並於二零零七年按24%稅率繳納中國企業所得稅及按3%稅率繳納地方企業所得稅。

蘇州東瑞化工根據法定財務申報收入而言為第三個溢利年度，並於二零零七年按12%稅率繳納中國企業所得稅。

截至二零零七年及二零零六年十二月三十一日止年度稅項支出與會計溢利乘以中國本地稅率的調節表如下：

		<b>Group</b> <b>本集團</b>	
		<b>2007</b> <b>二零零七年</b> <b>RMB'000</b> <b>人民幣千元</b>	<b>2006</b> <b>二零零六年</b> <b>RMB'000</b> <b>人民幣千元</b>
Accounting profit before income tax	除所得稅前會計溢利	<b>111,537</b>	69,329
At the PRC's statutory income tax rate of 33% (2006: 33%)	按中國法定所得稅稅率33% (二零零六年：33%)	<b>36,807</b>	22,879
Tax effect of profits entitled to tax concession	可享稅項豁免溢利之稅務影響	<b>(26,043)</b>	(19,404)
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅之調整	<b>153</b>	(262)
Expenses not deductible for tax	不可扣稅之開支	<b>217</b>	238
Others	其他	<b>(754)</b>	-
At the effective income tax rate of 9.31% (2006: 4.98%)	按實際所得稅稅率9.31% (二零零六年：4.98%)	<b>10,380</b>	3,451

### 11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated profit attributable to equity holders of the parent for the year ended 31 December 2007 includes a profit of RMB27,861,000 (2006: RMB95,304,000) which has been dealt with in the financial statements of the Company (note 30(b)).

### 12. DIVIDENDS

Equity dividends on ordinary shares:	普通股股息：
Interim dividend – HK\$0.015 (2006: HK\$0.015)	中期股息：0.015 港元 (二零零六年：0.015 港元)
Proposed final dividend – HK\$0.038 (2006: HK\$0.017)	擬派末期股息：0.038 港元 (二零零六年：0.017 港元)

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

### 13. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been issued on the deemed conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share calculations:

<b>Earnings</b>	<b>盈利</b>
Profit attributable to ordinary equity holders of the parent	母公司普通股權益持有人應佔溢利

### 11. 母公司權益持有人應佔溢利

截至二零零七年十二月三十一日止本年度母公司權益持有人應佔合併溢利中包含本公司財務報表的溢利人民幣 27,861,000 元 (二零零六年：人民幣 95,304,000 元) (附註 30(b))。

### 12. 股息

Company	
本公司	
2007	2006
二零零七年	二零零六年
RMB'000	RMB'000
人民幣千元	人民幣千元
11,804	12,422
28,224	13,654

擬派發的末期股息需待本公司股東於股東週年大會通過。

### 13. 每股盈利

每股基本盈利是按母公司普通股權益持有人應佔本年度淨溢利除以於年內已發行普通股股份之加權平均股數計算。攤薄後每股盈利是按母公司普通股權益持有人應佔本年度淨溢利除以於年內已發行普通股股份之加權平均股數，及加上可能因轉換具攤薄作用的普通股而發行普通股之加權平均股數計算。

下列為用作計算每股基本盈利及攤薄後每股盈利的收入及股份的數據：

2007	2006
二零零七年	二零零六年
RMB'000	RMB'000
人民幣千元	人民幣千元
101,072	65,781



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### 13. EARNINGS PER SHARE (continued)

### 13. 每股盈利(續)

		Number of Shares 股份數量	
		2007 二零零七年 Thousands 仟位	2006 二零零六年 Thousands 仟位
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares used in the basic earnings per share calculation	用作計算每股基本盈利之加權平均普通股股數	802,039	799,648
Effect of dilution – Weighted average number of ordinary shares:	具攤薄影響—加權平均普通股股數：		
Share options	購股權	4,523	4,409
Weighted average number of ordinary shares adjusted for the effect of dilution	就攤薄影響作出調整後之加權平均普通股股數	806,562	804,057

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Group 本集團				
		Buildings 樓宇 RMB'000 人民幣千元	Machinery and other equipment 機器及 其他設備 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>					
As at 1 January 2006	於二零零六年一月一日	89,094	170,254	7,651	8,568	275,567
Additions	添置	-	11,383	763	2,002	14,148
Transferred from construction in progress (note 16)	在建工程轉撥 (附註16)	6,623	19,838	-	-	26,461
Disposals	出售	-	(2,647)	(87)	(791)	(3,525)
<b>As at 31 December 2006 and 1 January 2007</b>	<b>於二零零六年 十二月三十一日 及二零零七年 一月一日</b>	<b>95,717</b>	<b>198,828</b>	<b>8,327</b>	<b>9,779</b>	<b>312,651</b>
Additions	添置	45	3,794	825	741	5,405
Acquisition of a subsidiary	收購附屬公司	-	-	43	-	43
Transferred from construction in progress (note 16)	在建工程轉撥 (附註16)	315	1,375	-	-	1,690
Disposals	出售	-	(3,709)	(1,208)	(273)	(5,190)
<b>As at 31 December 2007</b>	<b>於二零零七年 十二月三十一日</b>	<b>96,077</b>	<b>200,288</b>	<b>7,987</b>	<b>10,247</b>	<b>314,599</b>
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>					
As at 1 January 2006	於二零零六年一月一日	10,506	34,473	3,522	3,139	51,640
Provided for the year	年內撥備	4,228	15,110	1,200	1,689	22,227
Disposals	出售	-	(1,594)	(75)	(288)	(1,957)
<b>As at 31 December 2006 and 1 January 2007</b>	<b>於二零零六年 十二月三十一日 及二零零七年 一月一日</b>	<b>14,734</b>	<b>47,989</b>	<b>4,647</b>	<b>4,540</b>	<b>71,910</b>
Provided for the year	年內撥備	4,374	16,001	1,095	1,673	23,143
Acquisition of a subsidiary	收購附屬公司	-	-	11	-	11
Disposals	出售	-	(2,155)	(1,082)	(245)	(3,482)
<b>As at 31 December 2007</b>	<b>於二零零七年 十二月三十一日</b>	<b>19,108</b>	<b>61,835</b>	<b>4,671</b>	<b>5,968</b>	<b>91,582</b>
<b>Net book value:</b>	<b>賬面淨值：</b>					
<b>As at 31 December 2007</b>	<b>於二零零七年 十二月三十一日</b>	<b>76,969</b>	<b>138,453</b>	<b>3,316</b>	<b>4,279</b>	<b>223,017</b>
<b>As at 31 December 2006</b>	<b>於二零零六年 十二月三十一日</b>	<b>80,983</b>	<b>150,839</b>	<b>3,680</b>	<b>5,239</b>	<b>240,741</b>

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## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

### 14. 物業、廠房及設備(續)

		Company 本公司 Office Equipment 辦公室設備 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>	
As at 1 January 2006	於二零零六年一月一日	737
Exchange realignment	滙兌調整	(25)
<b>As at 31 December 2006 and 1 January 2007 and 31 December 2007</b>	<b>於二零零六年十二月三十一日 及二零零七年一月一日 及二零零七年十二月三十一日</b>	<b>712</b>
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>	
As at 1 January 2006	於二零零六年一月一日	382
Provided for the year	年內撥備	202
<b>As at 31 December 2006 and 1 January 2007</b>	<b>於二零零六年十二月三十一日 及二零零七年一月一日</b>	<b>584</b>
Provided for the year	年內撥備	52
<b>As at 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>636</b>
<b>Net book value:</b>	<b>賬面淨值：</b>	
<b>As at 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>76</b>
<b>As at 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>153</b>

### 15. LAND USE RIGHTS AND PREPAYMENTS

### 15. 土地使用權及預付款

The Group's land use rights represent prepaid land lease payments under operating leases and their carrying amounts are analysed as follows:

本集團之土地使用權指按經營租約預付之土地租賃款及其賬面值分析如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日賬面值	13,204	13,511
Additions	添置	10,346	-
Recognised during the year	年內確認	(325)	(307)
Carrying amount at 31 December	於十二月三十一日賬面值	<b>23,225</b>	13,204

The land use rights of the Group are situated in Mainland China and are held under medium lease terms.

本集團持有之土地使用權位於中國大陸並按中期租約持有。

As at 31 December 2007, the Group had paid RMB 26,072,000 for the land use right of another piece of land. The land use right certificate application was still in progress. The payments were accounted for as prepayments.

於二零零七年十二月三十一日，本集團支付另一塊土地之土地使用權人民幣26,072,000，該土地使用證之申請仍在進行中，該筆付款以預付款記賬。

### 16. CONSTRUCTION IN PROGRESS

### 16. 在建工程

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
As at 1 January	於一月一日	869	19,561
Additions	添置	11,317	7,813
Transferred to property, plant and equipment (note 14)	轉往物業、廠房 及設備(附註14)	(1,690)	(26,461)
Transferred to inventories	轉往存貨	-	(44)
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>10,496</b>	<b>869</b>

### 17. INTANGIBLE ASSETS

### 17. 無形資產

Deferred development costs

遞延開發成本

		Group 本集團			2006 二零零六年		
		2007 二零零七年		Total 總額 RMB'000 人民幣千元	Deferred Development Cost 遞延開發成本 RMB'000 人民幣千元		Total 總額 RMB'000 人民幣千元
		Deferred Development Cost 遞延開發成本 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元		Deferred Development Cost 遞延開發成本 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	
<b>Cost:</b>	<b>成本:</b>						
As at 1 January	於一月一日	19,620	-	19,620	17,171	-	17,171
Additions	添置	3,760	-	3,760	2,449	-	2,449
Acquisition of a subsidiary	收購附屬公司	-	588	588	-	-	-
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>23,380</b>	<b>588</b>	<b>23,968</b>	19,620	-	19,620
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值:</b>						
As at 1 January	於一月一日	4,258	-	4,258	2,133	-	2,133
Amortisation provided for the year	年內攤銷	912	-	912	790	-	790
Impairment losses	減值虧損	4,166	-	4,166	1,335	-	1,335
<b>As at 31 December</b>	<b>於十二月三十一日</b>	<b>9,336</b>	<b>-</b>	<b>9,336</b>	4,258	-	4,258
<b>Net book value: As at 31 December</b>	<b>賬面淨值: 於十二月三十一日</b>	<b>14,044</b>	<b>588</b>	<b>14,632</b>	15,362	-	15,362
As at 1 January	於一月一日	15,263	-	15,362	15,038	-	15,038

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## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 18. INTERESTS IN SUBSIDIARIES

### 18. 於附屬公司的權益

		Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted shares, at cost	非上市股份，按成本	88,166	94,635
Amounts due from subsidiaries	應收附屬公司款項	200,647	246,607
		<b>288,813</b>	<b>341,242</b>

The amounts due from subsidiaries of RMB200,647,000 (2006: RMB246,607,000) are non-interest bearing which, although technically are repayable under the original terms of the transactions giving rise thereto, have been deferred for a longer term and are therefore classified as non-current.

應收附屬公司款項人民幣200,647,000元(二零零六年: 人民幣246,607,000元)為不計利息的結餘。雖然技術上而言，該等結餘須按有關交易原有條款即時償還，但已作遞延處理，並分類為非流動結餘。

### 18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

### 18. 於附屬公司的權益(續)

附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued share/ paid-up capital 已發行/ 已繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比	Principal activities 主要業務
<b>Directly held</b>				
<b>直接持有</b>				
Dawnrays International Company Limited 東瑞國際有限公司	British Virgin Islands 英屬處女群島	US\$100 100 美元	100%	Investment holding 投資控股
Dawnrays International Company Limited 東瑞國際股份有限公司	Hong Kong 香港	— —	100%	Investment holding 投資控股
<b>Indirectly held</b>				
<b>間接持有</b>				
Suzhou Dawnrays Pharmaceutical Co., Ltd. # 蘇州東瑞製藥有限公司 #	Mainland China 中國大陸	US\$31,333,091 31,333,091 美元	100%	Manufacture and sale of pharmaceutical products 製造及銷售醫 藥產品
Shanghai Dawnrays Chemical Co., Ltd. # 上海東瑞化工有限公司 #	Mainland China 中國大陸	US\$680,000 680,000 美元	92%	Manufacture and sale of pharmaceutical intermediates 製造及銷售醫 藥中間體



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## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

### 18. 於附屬公司的權益(續)

附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及尚營業地點	Nominal value of issued share/ paid-up capital 已發行/ 已繳足股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比	Principal activities 主要業務
Suzhou Dawnrays Chemical Co., Ltd. #	Mainland China	US\$6,000,000	100%	Manufacture and sale of pharmaceutical intermediates
蘇州東瑞化工有限公司#	中國大陸	6,000,000 美元		製造及銷售醫 藥中間體
Dawnrays Pharma (Hong Kong) Limited	Hong Kong	HK\$500,000	100%	Sale of pharmaceutical products
東瑞藥業(香港)有限公司	香港	500,000 港元		銷售醫藥產品
Guangdong Dawnrays Pharmaceutical Co., Ltd. #	Mainland China	RMB3,000,000	100%	Sale of pharmaceutical products
廣東東瑞藥業有限公司#	中國大陸	人民幣 3,000,000 元		銷售醫藥產品
Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. #	Mainland China	US\$10,000,000	100%	Manufacture and sale of pharmaceutical intermediates
東瑞(南通)醫藥科技有限公司#	中國大陸	10,000,000 美元		製造及銷售醫 藥中間體

# These subsidiaries were registered under the PRC law as foreign-owned enterprises.

# 該等附屬公司按中國法律註冊為外商投資企業。

### 19. INVENTORIES

### 19. 存貨

		<b>Group</b> 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料		
– at cost	– 按成本	19,425	16,868
– provision	– 撥備	(218)	(607)
Work in progress	在製品		
– at cost	– 按成本	92,356	94,886
– provision	– 撥備	(4,772)	(3,454)
Finished goods	製成品		
– at cost	– 按成本	19,178	26,904
– provision	– 撥備	(1,534)	–
		<b>124,435</b>	<b>134,597</b>

### 20. TRADE AND NOTES RECEIVABLES

### 20. 應收貿易及票據款項

		<b>Group</b> 本集團	
		2007	2006
		二零零七年	二零零六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收貿易款項	146,448	141,885
Impairment	減值	(3,361)	(2,976)
		<b>143,087</b>	138,909
Notes receivables	應收票據款項	198,083	149,983
		<b>341,170</b>	<b>288,892</b>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and notes receivables are non-interest-bearing.

除新客戶一般需預繳款項外，本集團主要按信貸方式與客戶交易。而主要客戶信貸期一般為期三個月。每位客戶均設有最高信貸限額。本集團嚴謹監察其未償還應收款項，並設有信貸監控部門務求將信貸風險減至最低。高級管理層更會定期檢討逾期欠款。鑒於以上所述及目前本集團的應收貿易款項涉及大量不同客戶，因此並無高度集中的信貸風險。應收貿易及票據款項不計利息。

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31 December 2007 二零零七年十二月三十一日

### 20. TRADE AND NOTES RECEIVABLES (continued)

An aged analysis of the trade and notes receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

Trade receivables	應收貿易款項
Outstanding balances with ages:	按賬齡劃分的尚欠餘額：
Within 90 days	90日內
Between 91 and 180 days	91至180日
Between 181 and 270 days	181至270日
Between 271 and 360 days	271至360日
Over one year	一年以上

Notes receivables	應收票據款項
Outstanding balances with ages:	按賬齡劃分的尚欠餘額：
Within 90 days	90日內
Between 91 and 180 days	91至180日

### 20. 應收貿易及票據款項(續)

按發票日期計及扣除撥備後，於結算日的應收貿易及票據款項的賬齡分析如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
		<b>136,506</b>	125,532
		<b>5,463</b>	11,035
		<b>1,002</b>	1,863
		<b>67</b>	145
		<b>49</b>	334
		<b>143,087</b>	138,909
		<b>114,721</b>	87,035
		<b>83,362</b>	62,948
		<b>198,083</b>	149,983

The movements in provision for impairment of trade receivables are as follows:

At 1 January	於一月一日	<b>(2,976)</b>	-
Impairment losses recognised	已確認減值虧損	<b>(418)</b>	(3,095)
Amount written off as uncollectible	已撇銷不可收回金額	<b>33</b>	119
At 31 December	於十二月三十一日	<b>(3,361)</b>	(2,976)

The above provision for impairment of trade receivables is provided for individually impaired trade receivables with an aggregated carrying amount of RMB3,361,000 (2006: RMB2,976,000). The individually impaired trade receivables relate to customers with financial difficulties. The Group does not hold any collateral or other credit enhancements over these balances.

應收貿易款項的減值撥備變動如下：

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
		<b>(2,976)</b>	-
		<b>(418)</b>	(3,095)
		<b>33</b>	119
		<b>(3,361)</b>	(2,976)

上述應收貿易款項的減值撥備乃就賬面總值為人民幣3,361,000元(二零零六年：人民幣2,976,000元)的個別已減值應收貿易款項計提。該等個別已減值應收貿易款項均與陷入財務困境之客戶有關。本集團並無就該等結餘而持有任何抵押品或採取其他信貸加強措施。

### 20. TRADE AND NOTES RECEIVABLES (continued)

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期及並無減值	<b>136,506</b>	125,532
Less than three month past due	逾期少於3個月	<b>5,463</b>	11,035
Over three months past due	逾期3個月以上	<b>1,118</b>	2,342
		<b>143,087</b>	138,909

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

### 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		<b>Group</b> 本集團		<b>Company</b> 本公司	
		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Prepayments	預付款	<b>3,082</b>	9,662	<b>155</b>	413
Deposits and other receivables	按金及其他應收款項	<b>2,670</b>	6,367	<b>268</b>	-
		<b>5,752</b>	16,029	<b>423</b>	413

### 20. 應收貿易及票據款項 (續)

認為並無減值的應收貿易款項賬齡分析如下：

		<b>Group</b> 本集團	
		<b>2007</b> 二零零七年 <b>RMB'000</b> 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期及並無減值	<b>136,506</b>	125,532
Less than three month past due	逾期少於3個月	<b>5,463</b>	11,035
Over three months past due	逾期3個月以上	<b>1,118</b>	2,342
		<b>143,087</b>	138,909

未逾期及並無減值的應收款項乃與大量近期並無違約歷史的多名客戶有關。

逾期但並無減值的應收款項乃與多名與本集團維持良好往績記錄的獨立客戶有關。基於以往經驗，本公司董事認為毋須就該等結餘作出減值撥備，因為信貸質素並無出現重大變動，而有關結餘仍被認為可全數收回。本集團並無就該等結餘而持有任何抵押品或採取其他信貸加強措施。

### 21. 預付款、按金及其他應收款項

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### 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 22. 按公允值記入損益表之金融資產

		Group 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Listed equity investments, at market value: Hong Kong	上市股票投資， 按市值： 香港	4,888	3,965	4,888	3,965

The above equity investments at 31 December 2006 and 2007 were classified as held for trading.

於二零零六年及二零零七年十二月三十一日，上述股票投資分類為以交易為目的而持有的投資。

### 23. CASH AND CASH EQUIVALENTS

### 23. 現金及現金等價物

		Group 本集團		Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cash and bank balances	現金及銀行結存	48,205	41,446	2,772	2,347
Short term deposits	短期存款	28,638	2,577	28,319	2,577
Cash and cash equivalents	現金及現金等價物	76,843	44,023	31,091	4,924

At the balance sheet date, the cash and bank balances and short term deposits of the Group denominated in RMB amounted to RMB44,943,000 (2006: RMB38,637,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣列值的現金及銀行結存與短期存款總值人民幣44,943,000元（二零零六年：人民幣38,637,000元）。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸外匯管制法規及結匯、售匯與付匯管理法規，本集團獲准透過特許進行外匯業務的銀行將人民幣兌換為其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

銀行存款的利息按照活期存款的利率賺取。短期定期存款期限界乎一日至三個月不等，視乎本集團的現金需求而定，並以相應的短期定期存款利率賺取利息。銀行結餘和抵押存款已存入近期沒有不良拖欠、信譽良好的銀行中。現金和現金等價物的賬面值接近其公允值。

### 24. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at the balance sheet date, based on the invoice date, is as follows:

		Group 本集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Outstanding balances with ages:	按賬齡劃分的尚欠餘額：		
Within 90 days	90日內	148,974	120,697
Between 91 and 180 days	91至180日	97,844	79,111
Between 181 and 270 days	181至270日	213	1,032
Between 271 and 360 days	271至360日	130	98
Over one year	一年以上	246	304
		247,407	201,242

Trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade and notes payables approximate to their fair values.

### 24. 應付貿易及票據款項

按發票日期計，於結算日的應付貿易及應付票據款項賬齡分析如下：

應付款項乃不計利息及一般按九十日除賬期繳付。應付貿易及票據款項之賬面值與其公平價值相若。

### 25. BANK ADVANCES FOR DISCOUNTED BILLS

			Group 本集團	
	Effective interest rate (%) 實際利率 (%)	Maturity 到期日	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Bank advances for discounted bills	2.04% to 3.48%	Upon expiry of the bills		
銀行貼現票據墊款		票據到期後	-	25,351

### 25. 銀行貼現票據墊款



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### 26. OTHER PAYABLES AND ACCRUALS

### 26. 其他應付款及應計負債

		Group 本集團		Company 本公司	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Advances from customers	預收賬款	1,470	1,418	-	-
Accruals	預計負債	4,165	3,977	1,165	1,236
Taxes other than corporate income tax	除企業所得稅外的稅項	8,306	1,660	-	-
Payable for purchases of machinery and construction of buildings	新增機器及樓宇建築的應付款	2,471	7,675	-	-
Other payables	其他應付款	6,431	2,755	-	26
		<b>22,843</b>	<b>17,485</b>	<b>1,165</b>	<b>1,262</b>

Other payables are non-interest-bearing and have an average settlement term of six months. The carrying amounts of the other payables and accruals approximate to their fair values.

其他應付款乃不計利息及平均六個月結算期。

### 27. DEFERRED TAX

### 27. 遞延稅項

The movement in deferred tax assets during the year are as follows:

年內遞延稅項資產之變動如下：

		Amortisations 攤銷	Provisions 撥備	Total 總額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2006	於二零零六年一月一日	-	-	-
Deferred tax credited to the income statement during the year (note 10)	年內於利潤表中抵免之遞延稅項(附註10)	57	598	655
Deferred tax assets As at 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及二零零七年一月一日之遞延稅項資產淨額	57	598	655
Deferred tax (charged)/credited to the income statement during the year (note 10)	年內於利潤表(扣除)/抵免之遞延稅項(附註10)	(29)	242	213
Deferred tax assets As at 31 December 2007	於二零零七年十二月三十一日之遞延稅項資產	28	840	868

### 28. SHARE CAPITAL

#### Shares

		2007 二零零七年 HK'000 千港元	2006 二零零六年 HK'000 千港元
Authorised:	法定：		
10,000,000,000 (2006: 10,000,000,000) ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股 10,000,000,000 股 (二零零六年：10,000,000,000 股)	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
793,172,000 (2006: 799,140,000,000) ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股 793,172,000 股 (二零零六年：799,140,000 股)	79,317	79,914
Equivalent to RMB'000	等值人民幣千元	84,241	84,791

During the year, 5,116,000 share options under the Company's share option scheme were exercised. Accordingly, 5,116,000 ordinary shares of HK\$0.1 each were issued as a result of exercise of share options.

The Company repurchased 11,084,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$8,209,360 before expenses. The repurchased shares were subsequently cancelled. The nominal value of the cancelled shares was transferred to the capital redemption reserve and the premium payable on the repurchase was charged against the share premium account. The repurchases were effected by the directors for the enhancement of the shareholder value in the long term.

### 28. 股本

#### 股份

		2007 二零零七年 HK'000 千港元	2006 二零零六年 HK'000 千港元
Authorised:	法定：		
10,000,000,000 (2006: 10,000,000,000) ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股 10,000,000,000 股 (二零零六年：10,000,000,000 股)	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
793,172,000 (2006: 799,140,000,000) ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股 793,172,000 股 (二零零六年：799,140,000 股)	79,317	79,914
Equivalent to RMB'000	等值人民幣千元	84,241	84,791

於本年間，5,116,000股根據本公司購股權計劃之購股權已獲行使。因此，5,116,000股每股面值港元一毫之普通股已因該等購股權獲行使而發行。

本公司在香港聯合交易所有限公司購回11,084,000股本公司股份，除費用前總代價為8,209,360港元。以上股份於購回後已被註銷。已註銷股份面值的金額已轉撥到資本贖回儲備及於購回股份時支付的溢價已記入股份溢價賬。董事回購股份是為提高股東長遠利益。

### 29. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the Scheme. The Scheme was adopted on 21 June 2003, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares currently permitted to be issued upon the exercise of options under the Scheme is an amount equivalent to 10% of the shares of the Company in issue upon listing. The maximum number of shares issuable under share options to each eligible person in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$10 by each grantee with no other consideration being payable by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Board may determine in granting the option and expiring at the close of business on such date as the Board may determine in granting the option but in any event shall not exceed ten years from the date of grant.

The exercise price of share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer, provided that the exercise price shall not be less than the nominal value of the ordinary shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 29. 購股權計劃

本公司採用的購股權計劃(「計劃」)，旨在為對本集團業務成就作出貢獻的合資格參與者提供鼓勵及獎勵。計劃的合資格參與者包括本公司董事、獨立非執行董事、本集團僱員及計劃界定的其他合資格參與者。計劃於二零零三年六月二十一日生效，除非另行註銷或修訂，計劃將於該日起計十年內持續有效。

目前，根據計劃行使購股權而可予發行的最高股份數目為相等於購股權行使後佔本公司於上市時已發行股份的10%。在任何12個月期間內授予計劃的每位合資格參與者的購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限。凡進一步授出超逾此限額的購股權，須在股東大會上獲股東批准。

授予本公司董事、總裁或主要股東或彼等任何關聯方購股權須事先取得獨立非執行董事批准。此外，如於任何12個月期間授予本公司主要股東或獨立非執行董事或彼等任何關聯方的任何購股權超逾本公司於任何時間的已發行股份的0.1%，或有關購股權的總值(根據本公司股份於購股權授出日期的價格計算)超逾5,000,000港元，則須事先在股東大會上取得股東批准。

授予購股權的建議應於建議日期起計21日內獲接納，承授人接納購股權時無須支付其他代價，惟須支付10港元的象徵式代價。由董事會在授出購股權之日或其後所釐定的日期起至董事會在授出購股權時釐定的日期的營業時間結束時止，可隨時(無論如何不得超過由授出日期起計十年)根據該計劃的條款行使購股權。

購股權的行使價由董事釐定，惟不得低於以下各項的較高者：(i)本公司股份於授出購股權當日在聯交所所報的收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所所報的平均收市價，惟行使價不得少於本公司普通股的面值。

購股權並無賦予持有人可享有股息或於股東大會上投票的權利。

### 29. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the Scheme during the year:

### 29. 購股權計劃(續)

以下為該計劃於年內行使的購股權：

		2007 二零零七年		2006 二零零六年	
		Weighted average exercise price 加權平均 行使價 HK\$ 港元 per share 每股	Number of options 購股權數目 '000	Weighted average exercise price 加權平均 行使價 HK\$ 港元 per share 每股	Number of options 購股權數目 '000
At 1 January	於一月一日	0.587	22,500	0.587	22,500
Granted during the year	年內已授出	0.723	9,600	—	—
Exercised during the year	年內已行使	0.580	(5,116)	—	—
Expired during the year	年內已到期	0.615	(2,304)	—	—
At 31 December	於十二月三十一日	0.639	24,680	0.587	22,500

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.821 (2006: HK\$0.710).

年內，已行使的購股權於行使日的加權平均股價為0.821港元(二零零六年：0.710港元)。

The exercise prices and exercise periods of the share options outstanding as at that balance sheet date are as follows:

於結算日，未行使的購股權行使價及行使期間如下：

2007

二零零七年

Number of options 購股權數目 '000	Exercise price * 行使價 * HK\$ 港元	Exercise period 行使期間 per share 每股
2,500	0.630	17-11-2005 to 16-11-2010
12,180	0.580	28-12-2005 to 27-12-2010
400	0.500	05-05-2006 to 04-05-2009
800	0.720	01-09-2007 to 31-08-2012
7,500	0.710	04-04-2008 to 03-04-2013
1,300	0.800	10-07-2008 to 09-07-2013
24,680		

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### 29. SHARE OPTION SCHEME (continued)

2006

Number of options 購股權數目 '000	Exercise price * 行使價* HK\$ 港元	Exercise period 行使期間 per share 每股
4,100	0.630	17-11-2005 to 16-11-2010
18,000	0.580	28-12-2005 to 27-12-2010
400	0.500	05-05-2006 to 04-05-2009
<u>22,500</u>		

\* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Group's share capital.

The fair value of the share options granted during the year was HK\$1,617,200 (2006: Nil).

The fair value of equity-settled share options granted was estimated as at the date of grant, using a Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. Such value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model:

Date of grant	授出日期	17/11/2004	28/12/2004	5/5/2006	10/1/2007	4/4/2007	10/7/2007
Dividend yield (%)	股息率 (%)	6.94	7.53	8.92	6.05	5.87	5.14
Expected volatility (%)	預期波幅 (%)	47	46	47	43	43	43
Historical volatility (%)	過往波幅 (%)	47	46	47	43	43	43
Risk-free interest rate (%)	無風險折現率 (%)	2.76	2.91	2.90	3.70	4.05	4.63
Expected life of option (year)	購股權預計年期 (年)	6	6	4	6	6	6
Weighted average share price (HK\$)	加權平均股份價格 (港元)	0.78	0.78	0.78	0.78	0.78	0.78

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

### 29. 購股權計劃(續)

二零零六年

\* 倘進行供股或發行紅股或本集團股本出現其他類似變動，則購股權的行使價須予以調整。

年內已授出購股權的公允值為1,617,200港元(二零零六年：無)。

授予以股本結算的購股權的公允值乃於授予購股權當日以柏力克-舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值：

購股權預計年期乃根據過去五年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

### 29. SHARE OPTION SCHEME (continued)

No other feature of the options granted was incorporated into the measurement of fair value.

At the balance sheet date, the Company had 24,680,000 share options outstanding under the Scheme, which represented approximately 3% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 24,680,000 additional ordinary shares of the Company, additional share capital of HK\$2,468,000 and share premium of HK\$13,312,400 (before share issue expenses).

### 30. RESERVES

#### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 38 to 39 of the financial statements.

#### (i) Contributed surplus

The contributed surplus of the Group represents the difference between the aggregate of the nominal value of the paid-up capital of the subsidiaries acquired pursuant to the Group Reorganisation as set out in note 1, over the nominal value of the Company's shares issued in exchange therefore.

#### (ii) Statutory surplus reserve ("SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China Subsidiaries, the Mainland China Subsidiaries are each required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until such reserve reaches 50% of the registered capital of the Mainland China Subsidiaries. Part of the SSR may be converted to increase paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

#### (iii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

### 29. 購股權計劃 (續)

並無其他授予購股權的特色列入公允值的計算當中。

於結算日，本公司根據計劃擁有 24,680,000 份購股權尚未行使，相當於當日本公司已發行股份約 3%。根據本公司現時的資本架構，悉數行使餘下購股權將引致本公司發行 24,680,000 股額外普通股、2,468,000 港元的額外股本以及股份溢價 13,312,400 港元（未計股份發行開支）。

### 30. 儲備

#### (a) 本集團

本集團儲備於本年度及過往年度的金額及變動已載於財務報表第 38 頁至 39 頁的合併權益變動表內。

#### (i) 繳入盈餘

本集團的繳入盈餘指根據附註 1 所載的集團重組所收購附屬公司的繳足股本總面值與本公司為換取有關股本而發行的本公司股份面值的差額。

#### (ii) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的 10% 分配至法定盈餘公積金，直至法定盈餘公積金達到中國附屬公司註冊資本的 50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的 25%。

#### (iii) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外國附屬公司的財務報表所產生的匯兌差額。

# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 30. RESERVES (continued)

(b) Company

### 30. 儲備(續)

(b) 本公司

		Notes	Share premium account	Share Contributed surplus	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits	Total
		附註	股份溢價	繳入盈餘	購股權儲備	贖回儲備	匯兌波動儲備	保留溢利	總額
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2006	於二零零六年一月一日		69,583	100,175	1,616	-	(5,587)	27,528	193,315
Exchange realignment	匯兌調整		-	-	-	-	(11,416)	-	(11,416)
Equity-settled share option arrangements	以股權支付的購股權安排		-	-	405	-	-	-	405
Exercise of share options	行使購股權	29	646	-	(119)	-	-	-	527
Shares repurchased and cancelled	購回及註銷股份	28	(1,069)	-	-	194	-	(194)	(1,069)
Profit for the year	本年度溢利	11	-	-	-	-	-	95,304	95,304
Interim 2006 dividend	二零零六年中期股息	12	-	-	-	-	-	(12,422)	(12,422)
Proposed final 2006 dividend	擬派二零零六年末期股息	12	-	-	-	-	-	(13,654)	(13,654)
At 31 December 2006	於二零零六年十二月三十一日		69,160	100,175	1,902	194	(17,003)	96,562	250,990
Exchange realignment	匯兌調整		-	-	-	-	(23,613)	-	(23,613)
Dividend on shares issued for employee share options exercised after 31 December 2006	二零零六年十二月三十一日後行使的僱員購股權所發行股份的股息		-	-	-	-	-	(65)	(65)
Equity-settled share option arrangements	以股權支付的購股權安排		-	-	864	-	-	-	864
Exercise of share options	行使購股權	29	2,992	-	(558)	-	-	-	2,434
Share repurchased and cancelled	購回及註銷股份	28	(6,782)	-	-	1,055	-	(1,055)	(6,782)
Profit for the year	本年度溢利	11	-	-	-	-	-	27,861	27,861
Interim 2007 dividend	二零零七年中期股息	12	-	-	-	-	-	(11,804)	(11,804)
Proposed final 2007 dividend	擬派二零零七年末期股息	12	-	-	-	-	-	(28,224)	(28,224)
At 31 December 2007	於二零零七年十二月三十一日		65,370	100,175	2,208	1,249	(40,616)	83,275	211,661

The contributed surplus of the Company represents the excess of the then consolidated net assets of the subsidiaries acquired pursuant to the Group Reorganisation referred to in note 30(a), over the nominal value of the Company's shares issued in exchange thereof.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the issued capital account and the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

本公司的繳入盈餘如附註30(a)所述指根據集團重組所收購附屬公司當時的合併資產淨值超逾本公司為換取有關資產而發行的本公司股份面值的部份。

購股權儲備包括已授出但尚未行使權的公允值，其進一步資料載於財務報表附註2.4以股份支付的交易的會計政策內。當有關購股權獲行使時，其數額將轉至已發行股本賬及股份溢價賬，或當有關購股權到期或被沒收時，其數額將轉至留存溢利。



### 31. FINANCIAL INSTRUMENTS BY CATEGORY

### 31. 按類別劃分之財務工具

<b>Financial assets</b>					<b>Group</b>		
<b>財務資產</b>					<b>本集團</b>		
		<b>2007</b>			<b>2006</b>		
		<b>二零零七年</b>			<b>二零零六年</b>		
		<b>Financial assets</b>			<b>Financial assets</b>		
		<b>at fair value</b>			<b>at fair value</b>		
		<b>through profit</b>			<b>through profit</b>		
		<b>and loss</b>			<b>and loss</b>		
		<b>按公允值</b>			<b>按公允值</b>		
		<b>計入損益表</b>			<b>計入損益表</b>		
		<b>之財務資產</b>			<b>之財務資產</b>		
		<b>RMB'000</b>			<b>RMB'000</b>		
		<b>人民幣千元</b>			<b>人民幣千元</b>		
		<b>Loans and</b>			<b>Loans and</b>		
		<b>receivables</b>			<b>receivables</b>		
		<b>貸款及</b>			<b>貸款及</b>		
		<b>應收款項</b>			<b>應收款項</b>		
		<b>Total</b>			<b>Total</b>		
		<b>總額</b>			<b>總額</b>		
		<b>RMB'000</b>			<b>RMB'000</b>		
		<b>人民幣千元</b>			<b>人民幣千元</b>		
		<b>Total</b>			<b>Total</b>		
		<b>總額</b>			<b>總額</b>		
		<b>RMB'000</b>			<b>RMB'000</b>		
		<b>人民幣千元</b>			<b>人民幣千元</b>		
Trade and notes receivables	應收貿易及票據款項	—	341,170	341,170	—	288,892	288,892
Financial assets included in prepayments, deposits and other receivables	計入預付款、按金及其他應收款之財務資產	—	1,409	1,409	—	5,604	5,604
Equity investments at fair value through profit or loss	按公允值計入損益表之股本投資	4,888	—	4,888	3,965	—	3,965
Cash and cash equivalents	現金及現金等價物	—	76,843	76,843	—	44,023	44,023
		4,888	419,422	424,310	3,965	338,519	342,484
<b>Financial liabilities</b>					<b>2007</b>		
<b>財務負債</b>					<b>二零零七年</b>		
					<b>Financial liabilities at</b>		
					<b>amortised cost</b>		
					<b>按攤銷成本計量</b>		
					<b>之財務負債</b>		
					<b>2006</b>		
					<b>二零零六年</b>		
					<b>Financial liabilities at</b>		
					<b>amortised cost</b>		
					<b>按攤銷成本計量</b>		
					<b>之財務負債</b>		
Trade and notes payables	應付貿易及票據款項				247,407	201,242	
Financial liabilities included in other payables and accruals	計入其他應付款及應計負債之財務負債				12,888	10,693	
					260,295	211,935	

# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 31. FINANCIAL INSTRUMENTS BY CATEGORY (continued) 31. 按類別劃分之財務工具(續)

Financial assets 財務資產	Company 本公司					
	2007 二零零七年			2006 二零零六年		
	Financial assets at fair value through profit and loss 按公允值 計入損益表 之財務資產 RMB'000 人民幣千元	Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元	Financial assets at fair value through profit and loss 按公允值 計入損益表 之財務資產 RMB'000 人民幣千元	Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Trade receivables	-	-	-	-	-	-
Financial assets included in prepayments, deposits and other receivables	-	269	269	-	282	282
Equity investments at fair value through profit or loss	4,888	-	4,888	3,965	-	3,965
Cash and cash equivalents	-	31,091	31,091	-	4,924	4,924
	4,888	31,360	36,248	3,965	5,206	9,171

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Foreign currency risk

Currently, the PRC government imposes control over foreign currencies. RMB, the official currency in the PRC, is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. Payments for imported materials or services and remittance of earnings outside of the PRC are subject to the availability of foreign currencies which depends on the foreign currency denominated earnings of the enterprises, or must be arranged through the People's Bank of China or other authorised financial institutions. Approval for exchanges at the People's Bank of China or other authorised financial institutions is granted to enterprises in the PRC for valid reasons such as purchases of imported materials and remittance of earnings. While conversion of RMB to Hong Kong dollars or other foreign currencies can generally be effected at the People's Bank of China or other authorised financial institutions, there is no guarantee that it can be affected at all times.

The Group does not have any significant investment outside of Mainland China. However, the Group has transaction currency exposures. Such exposure arises from sales of the Group's Mainland China Subsidiaries denominated in currencies other than the Group's functional currency. Approximately 9% of the Group's sales for the year ended 31 December 2007 (2006: 9%) are denominated in currencies other than the functional currency of the Group. Upon receipt of currency other than the functional currency, the Group sells them to the banks immediately.

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

### 32. 金融風險管理目標及對策

本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

本集團財務工具所涉及的主要風險為外匯風險、信貸風險及流動資金風險。以下為董事會檢討並同意管理上述每項風險的政策之概要。

#### 外匯風險

目前，中國政府仍實施外匯管制。中國官方貨幣人民幣不可自由兌換。於中國經營之企業可透過中國人民銀行或其他認可金融機構從事外匯交易。支付進口原料或服務之貨價及將盈利匯出中國境外地區均受外幣供應數額限制，並依賴企業以外幣計值之盈利，或必須透過中國人民銀行或其他認可金融機構作出安排。於中國經營之企業在具充分理據下，如需購入進口原料及匯出盈利，可獲授批准於中國人民銀行或其他認可金融機構進行兌換。雖然人民幣兌換港元或其他外幣一般可在中國人民銀行或其他認可金融機構進行，但無法保證於任何時間均能進行。

本集團於中國大陸以外並無任何重大投資。然而，本集團仍面對交易貨幣風險。有關風險來自以本集團的中國大陸附屬公司以本集團功能貨幣以外之貨幣進行之銷售。截至二零零七年十二月三十一日止年度，本集團約9%之銷售(二零零六年：9%)乃以本集團功能貨幣以外之貨幣計值。於收到功能貨幣以外之貨幣後，本集團會即時將該等貨幣售予銀行以兌換為功能貨幣。

下表列示在所有其他可變因素維持不變之情況下，本集團的除稅前溢利對外幣匯率出現合理可能變動的敏感度(由於貨幣資產及負債的公平值變動)。

# Notes to the Financial Statements

## 財務報表附註

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### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

2007

二零零七年

If RMB strengthens against US dollar	倘人民幣兌美元升值
If RMB weakens against US dollar	倘人民幣兌美元貶值

+5%	(4,054)
-5%	4,054

2006

二零零六年

If RMB strengthens against US dollar	倘人民幣兌美元升值
If RMB weakens against US dollar	倘人民幣兌美元貶值

+5%	(3,401)
-5%	3,401

#### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables and balances are monitored on an ongoing basis and the Group's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and short term deposits, other receivables and financial assets at fair value through profit or loss, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables is disclosed in note 20 to the financial statements.

#### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

### 32. 金融風險管理目標及對策(續)

外匯風險(續)

Increase/decrease in foreign currency rate	Effect on profit before tax
外幣匯率	對除稅前
上調/下調	溢利之影響

RMB'000

人民幣千元

Increase/decrease in foreign currency rate	Effect on profit before tax
外幣匯率	對除稅前
上調/下調	溢利之影響

RMB'000

人民幣千元

#### 信貸風險

本集團僅與該等信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收款項及結餘的情況，而本集團的壞賬風險並不重大。

就有關本集團其他財務資產的信貸風險，其中包括現金及短期存款、其他應收款項及按公允值計入損益表的財務資產，本集團因對方違約所產生的信貸風險，上限相等於該等工具的賬面值。

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故不需要任何抵押。集中信貸風險由客戶/交易對手管理，因此本集團內並無任何重大集中信貸風險。

有關本集團因應收貿易賬款所產生信貸風險的進一步定量資料乃披露於財務報表附註20。

#### 流動資金風險

本集團透過採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其財務工具及財務資產(如應收貿易賬款)的到期日以及來自經營業務的預期現金流量。

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

		Group 本集團 2007 二零零七年					
		3 to less than					
		On demand	Less than 3 months	12 months	1 to 5 years	Over 5 years	Total
		按要求	少於三個月	三至少於 十二個月	一至五年	五年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and notes payables	應付貿易及票據款項	590	94,604	152,213	-	-	247,407
Other payables	其他應付款	12,888	-	-	-	-	12,888
		<b>13,478</b>	<b>94,604</b>	<b>152,213</b>	<b>-</b>	<b>-</b>	<b>260,295</b>
		2006 二零零六年					
		3 to less than					
		On demand	Less than 3 months	12 months	1 to 5 years	Over 5 years	Total
		按要求	少於三個月	三至少於 十二個月	一至五年	五年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank advances for discounted bills	銀行貼現票據墊款	-	-	25,351	-	-	25,351
Trade and notes payables	應付貿易及票據款項	1,434	46,669	153,139	-	-	201,242
Other payables	其他應付款	10,693	-	-	-	-	10,693
		<b>12,127</b>	<b>46,669</b>	<b>178,490</b>	<b>-</b>	<b>-</b>	<b>237,286</b>

# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The net debt includes, bank advances for discounted bills, trade and notes payables, other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent. The gearing ratios as at the balance sheet dates were as follows:

### 32. 金融風險管理目標及對策(續)

#### 資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及提升股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。於截至二零零七年十二月三十一日及二零零六年十二月三十一日止年度內，有關目標、政策及過程並無作出任何變動。

本集團採用資本負債比率監察其資本情況，而資本負債比率乃淨負債除以總資本加淨負債之總和計算。淨負債包括銀行貼現票據墊款、應付貿易及票據款項、其他應付款及應計負債，並扣除現金及現金等價物。資本包括母公司權益持有人應佔權益。於結算日之資本負債比率如下：

		Group 集團	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Bank advances for discounted bills	銀行貼現票據墊款	-	25,351
Trade and notes payables	應付貿易及票據款項	247,407	201,242
Other payables and accruals	其他應付款及應計負債	22,843	17,485
Less: Cash and cash equivalents	減：現金及現金等價物	(76,843)	(44,023)
Net debt	淨負債	193,407	200,055
Equity attributable to equity holders of the parent	母公司權益 持有人應佔權益	578,352	512,257
Capital and net debt	資本及淨負債	771,759	712,312
Gearing ratio	資本負債比率	25%	28%

### 33. COMMITMENTS

#### (a) Operating lease commitments

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to six years.

At 31 December 2007, the Group and the Company had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

		Group 本集團		Company 本公司	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Within one year	一年內	2,143	1,783	-	1,076
After one year but no more than five years	一年後至不多於五年	1,727	3,571	-	2,106
More than five years	五年以上	-	324	-	-
		<b>3,870</b>	5,678	-	3,182

#### (b) Capital commitments

		Group 本集團		Company 本公司	
		2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Contracted, but not provided for: 已訂約，但未作撥備：					
Information system software	訊息系統軟件	-	252	-	-
Land use rights	土地使用權	-	4,368	-	-
Buildings	樓宇	-	450	-	-
Plant and machinery	廠房及機器	11,872	1,378	-	-
		<b>11,872</b>	6,448	-	-
Authorised, but not contracted for: 已授權，但未訂約：					
Plant and machinery	廠房及機器	91,987	37,417	-	-
		<b>103,859</b>	43,865	-	-

### 33. 承擔

#### (a) 經營租賃承擔

本集團根據經營租賃安排承租若干辦公物業。物業租賃的商定期限介乎一至六年之間。

截至二零零七年十二月三十一日，本集團及本公司根據不可撤銷經營租約於日後未來應付最低租賃款項總額如下：

#### (b) 資本承擔



# Notes to the Financial Statements

## 財務報表附註

31 December 2007 二零零七年十二月三十一日

### 34. RELATED PARTY TRANSACTION

Compensation of key management personnel of the Group:

Short-term employee benefits	其他短期僱員福利
Post-employment benefits	退休後福利
Share-based payments	以股份為基礎的支付方式
Total compensation paid to key management personnel	主要管理人員 酬金總額

Further details of the directors' emoluments are included in note 7 to the financial statements.

### 35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14 March 2008.

### 34. 關連方交易

本集團主要管理人員酬金：

	2007 二零零七年 HK'000 人民幣千元	2006 二零零六年 HK'000 人民幣千元
	3,892	5,031
	71	77
	222	134
	4,185	5,242

董事酬金詳情載於財務報表附註 7。

### 35. 財務報表的批准

財務報表已於二零零八年三月十四日獲董事會批准及授權發行。

# Five Year Financial Summary

## 五年財務概要

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

以下為本集團於過去五個財政年度之業績、資產、負債及少數股東權益概要，此乃摘錄自經公佈審核財務報表並已作出適當之重列／重新分類。

		Year ended 31 December 截至十二月三十一日止年度				
RESULTS	業績	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (Restated) (重列)	2003 二零零三年 RMB'000 人民幣千元 (Restated) (重列)
<b>Revenue</b>	收入	<b>919,945</b>	788,797	734,002	584,758	491,388
Cost of sales	銷售成本	<b>(680,443)</b>	(604,788)	(518,769)	(392,081)	(285,485)
Gross profit	毛利	<b>239,502</b>	184,009	215,233	192,677	205,903
Other income and gain	其他收入及收益	<b>4,320</b>	2,955	1,959	1,956	867
Selling and distribution costs	銷售及分銷費用	<b>(69,218)</b>	(53,669)	(54,230)	(59,910)	(56,929)
Administrative expenses	行政費用	<b>(41,117)</b>	(36,400)	(38,597)	(37,172)	(26,632)
Other expenses	其他費用	<b>(21,950)</b>	(26,590)	(18,214)	(14,859)	(10,511)
Finance costs	財務費用	<b>-</b>	(976)	(202)	-	(809)
<b>PROFIT BEFORE TAX</b>	除稅前溢利	<b>111,537</b>	69,329	105,949	82,692	111,889
Tax	稅項	<b>(10,380)</b>	(3,451)	(245)	(6,225)	(3,996)
<b>PROFIT FOR THE YEAR</b>	本年度溢利	<b>101,157</b>	65,878	105,704	76,467	107,893
Attributable to:	以下各項應佔：					
Equity holders of the parent	母公司權益持有人	<b>101,072</b>	65,781	105,646	76,451	107,487
Minority interest	少數股東權益	<b>85</b>	97	58	16	406
		<b>101,157</b>	65,878	105,704	76,467	107,893
<b>ASSETS, LIABILITIES AND MINORITY INTERESTS</b>	資產、負債及少數股東權益					
<b>TOTAL ASSETS</b>	總資產	<b>851,398</b>	758,337	745,053	687,083	558,494
<b>TOTAL LIABILITIES</b>	總負債	<b>(272,392)</b>	(245,290)	(255,996)	(274,896)	(183,601)
<b>MINORITY INTEREST</b>	少數股東權益	<b>(654)</b>	(790)	(743)	(716)	(989)
		<b>578,352</b>	512,257	488,314	411,471	373,904

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 6 May 2008 to Friday, 9 May 2008 (both days inclusive) during which period no transfer of shares will be registered and effected. In order to qualify for the final dividend, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with the Company's Registrars in Hong Kong, Tricor Abacus Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00p.m. on Monday, 5 May 2008.

### ANNUAL GENERAL MEETING

The 2008 AGM will be held on Friday, 9 May 2008. Details of the 2008 AGM are set out in the notice of AGM which constitutes part of the circular to shareholders sent together with this annual report.

### FINANCIAL CALENDAR

2007 AGM	15 May 2007
Announcement of interim results	24 August 2007
Announcement of annual results	14 March 2008
2008 AGM	9 May 2008

### DIVIDENDS

Interim dividend	\$0.015 per share
Payment date for interim dividend	18 September 2007
Proposed final dividend	\$0.038 per share
Ex-dividend date for final dividend	2 May 2008
Book closing dates for final dividend	6-9 May 2008
Payment date for final dividend	on or about 16 May 2008

### 暫停辦理股份過戶登記

本公司於二零零八年五月六日(星期二)至二零零八年五月九日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續。於有關期間將停止辦理轉讓本公司的股份。為符合獲發末期股息的資格,所有本公司的股份轉讓連同有關股票及股票轉讓書,須於二零零八年五月五日(星期一)下午四時正前,送達本公司的香港股份過戶登記處,香港皇后大道東28號金鐘匯中心26樓卓佳雅柏勤有限公司辦理過戶登記手續。

### 股東週年大會

二零零八年股東週年大會將於二零零八年五月九日(星期五)舉行。二零零八年股東週年大會通告的詳情已載於發給股東通函內;該通函連同本年報一併寄發給股東。

### 財務日誌

二零零七年股東週年大會	二零零七年五月十五日
公佈中期業績	二零零七年八月二十四日
公佈全年業績	二零零八年三月十四日
二零零八年股東週年大會	二零零八年五月九日

### 股息

中期股息	每股港幣0.015元
中期股息派付日期	二零零七年九月十八日
建議派發末期股息	每股港幣0.038元
末期股息除息日期	二零零八年五月二日
末期股息截止過戶日期	二零零八年五月六日至九日
末期股息派付日期	二零零八年五月十六日或前後

