



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

2008
Interim Report
中期報告

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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

CHIEF EXECUTIVE OFFICER

Mr. GAO Yi

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

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

總裁

高毅先生

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

Corporate Information 公司資料

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

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

SHAREHOLDER'S CALENDAR

Closure of Register of Members

Monday, 8 September 2008 to Tuesday, 9 September 2008
(both days inclusive)

Interim Dividend, payable

HK\$0.018 per share, payable on or about 17 September 2008.

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

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

股東時間表

截止過戶日期

二零零八年九月八日(星期一)至二零零八年九月九日
(星期二)(首尾兩天包括在內)

中期股息(待派發)

每股港幣 0.018 元, 約於二零零八年九月十七日派發

Financial Highlights 財務摘要

The board of directors (the 'Board') of Dawnrays Pharmaceutical (Holdings) Limited (the 'Company') is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the 'Group') for the six months ended 30 June 2008 (the "period"). These interim results have been reviewed by the audit committee of the Company.

東瑞製葯(控股)有限公司(「本公司」)之董事會(「董事會」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零零八年六月三十日止六個月(「本期間」)之未經審核合併業績。此等業績已經由本公司的審核委員會審閱。

For the six months ended 30 June 截至六月三十日止六個月 Unaudited 未經審核	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	Change 變幅 %
Turnover 營業額	456,118	437,202	4.3
Gross Profit 毛利	121,985	97,976	24.5
Profit before tax 除稅前溢利	53,257	46,108	15.5
Net profit attributable to equity holders 權益持有人應佔淨溢利	48,863	41,356	18.2
Earnings per share-basic (RMB) 每股盈利－基本(人民幣)	0.0616	0.0516	19.4
Interim dividend per share (HK\$) 每股中期股息(港幣)	0.018	0.015	20.0

The interim results of Dawnrays Pharmaceutical (Holdings) Limited reflect that the Company has achieved desired performance in a dynamic pharmaceutical market in China.

The pharmaceutical market of PRC has enjoyed a high growth rate in the first half of 2008. As far as the Central Government of China is concerned, the social health-care systems in both urban areas and rural areas are in the process of establishing by PRC authorities. Since both the government and the society are increasing inputs into the health care system, the average Chinese living condition is improving, and the GNP of PRC is growing continuously; the directors of the Company (the "Directors") have predicted that the China's pharmaceutical market will be ranked top 5 worldwide in five years, with a double digit annual growth rate.

The gross profit margin of the Group in the first half of fiscal year 2008 is 26.7%, a 4.3% increase compared with last year's corresponding period figure. The solid-dosage-forms (i.e., system specific medicines) still have been the main driver of the business growth of the Group. The revenue of solid-dosage-forms has increased by approximately 20% compared with the last year's corresponding period figure. Furthermore, the Group has arranged the resource deployment for the second half of 2008. In order to further strengthen the market share of cardiovascular system specific medicines, the marketing plan for a new product-Losartan Potassium & Hydrochlorothiazide (An Nei Xi)-has been formulated.

The global markets for commercial loan, mortgage and credit are facing pressure. The prices for oil and derivatives of oil are geared up significantly. Therefore, those factors generated stress for pharmaceutical manufacturers and chemical firms. However, because of the scientific management of purchasing, manufacturing, and marketing, our bulk medicine business still has maintained a 17.4% gross profit margin, a 5.4% increase compared with last year's corresponding period of figure.

The revenue of cephalosporin antibiotics final products (i.e., powder for injections) business has increased marginally, compared with last year's corresponding period figure.

The overseas business has been slowing down in the first half of 2008. The main reason is that India, as one of the major markets of antibiotics, adopted an anti-dumping national policy against Chinese pharmaceutical firms. The fact of the decreased overseas sales triggered the Board to formulate business development projects in order to enter the institutionally stabled pharmaceutical markets based in advanced economies.

PROSPECTS

Even though China is under the negative impacts of inflation and Sichuan earthquakes, the Directors still believe that the Mainland China's pharmaceutical market will keep growing in a stabilized way.

東瑞製葯(控股)有限公司之二零零八年中期業績，反映本公司在不斷變化的中國醫葯市場中，有理想的表現。

中國醫葯市場在二零零八年上半年快速增長。在中央政府的重視下，國家在城市和農村逐漸建立社會醫療衛生保障體系。由於政府和社會的投入不斷加大，人民生活水平和國民生產總值的不斷提高，所以本公司董事(「董事」)預計中國醫葯市場將在未來五年內成為世界前五大醫葯市場，並保持雙位數的年增長率。

本集團的整體毛利率在二零零八年上半年為26.7%，比二零零七年同期增長4.3%。固型劑類(系統專科用葯)繼續成為本集團業務增長的主要動力。本集團的固型劑類的銷售在二零零八年上半年同比錄得約兩成的增長。並且，在心血管系統專科用葯業務方面，本集團已經部署了二零零八年下半年的市場計劃，使新品種氯沙坦鉀氫氯噻嗪(安內喜)向縱深市場發展。

環球信貸緊縮、石油價格和副產品的價格上升，在二零零八年對製葯化工企業普遍帶來壓力。然而，由於本集團對於原材料採購、生產、銷售各環節的科學安排，使本集團之原料葯業務仍然錄得17.4%的毛利率，比去年同期上升了5.4%。

頭孢類抗生素粉針劑(製劑成品葯)的銷售在二零零八年上半年比二零零七年上半年略有增加。

本集團的出口業務在二零零八年上半年下滑，主要是由於主要出口的海外市場之一——印度一對中國抗生素製葯企業實施反傾銷保護政策。正鑒於此，董事會已制定相關發展計劃，準備進入發達國家的規範市場。

展望

儘管在通貨膨脹和地震的影響下，董事相信中國內地的製葯行業將在下半年保持平穩增長。

Chairman's Statement 主席報告

The Group donated drugs to Sichuan earthquake areas. Besides, the continuous and substantial investments of manufacturing plants, equipments and pollution control systems not only increase the Group's operation capability, but also help the Group taking corporate social responsibility and therefore building a solid and positive corporate image in local communities.

In the first half of 2007, the Group participated in the "Chinese Hypertension Intervention Efficacy Study" which is a key project of China's Eleventh Five-Year plan and is the first state-supported medical research project in the programme. Since the Group has been appointed as the sole collaborative pharmaceutical enterprise and study drugs supplier of the project, the Directors believe that the brand name recognition of the Group will gradually be increasing in the cardiovascular segment of Chinese pharmaceutical market and the brand equity effects of the Group's major products will be emerging.

Even though the perspective of global economy is far from clear, the Asian markets in general and the China market in particular would be the 'Enclave' of the American economic recession. As the leading firm of China's pharmaceutical sector, the Directors are planning projects and facility developments, designing new business development models and analyzing competitors in order to comprehensively capture the opportunity generated by a high growth market. We are going to optimally deploy resources and to pursue the competitive advantage.

Our colleagues are devoted to a high-standard and transparent corporate governance, a solid financial management system and a conservative dividend payout policy. Through the internally driven innovation and externally linked partner selection, we are going to develop our new business and create value for our shareholders.

Interim Dividend

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

Last not the least, I take this opportunity to acknowledge the trust and support from all the shareholders and all of our colleagues. We will, as we always did, work hard and create value for you.

Li Kei Ling
Chairman

Hong Kong, 21 August 2008

本集團對四川地震捐贈藥品。對生產設備及環保設施的持續投資，不僅提高了營運能力，而且在中國當地承擔社會責任，建立了良好、健康的企業形象。

本集團於二零零七年上半年參與中國「高血壓綜合防治研究」項目。該項目是中國第十一屆國家五年計劃的重點項目和該計劃第一個獲國家支持的醫學項目。由於本集團是該項目唯一合作的醫藥企業和用藥供應商，董事認為本集團在中國市場心血管領域的知名度會持續增加，重點品種的品牌效應會逐步顯現。

雖然全球經濟前景仍然不明朗，但是亞洲尤其是中國市場可以成為美國經濟放緩的避風港。作為中國領先的製藥企業，我們將部署相關基建項目，設計新產品業務模式，瞭解競爭對手的情況，從而力圖全面掌握醫藥市場快速發展帶來的商機，優化內部資源配置，繼續追求競爭優勢。

我們全體同仁致力於嚴格、透明的企業管治，穩定的財務管理和派息政策，通過內部創新和外部合作，繼續推動新的業務發展，為股東創造價值。

中期股息

董事會決議宣派截至二零零八年十二月三十一日止年度中期股息每股港幣0.018元，合共約港幣14,290,500元（約相當於人民幣12,571,000元）。

最後，感謝本公司股東和本集團全體同事的支持和信任。我們將一如既往，努力工作。

李其玲
主席

香港，二零零八年八月二十一日

BUSINESS REVIEW

1. PRODUCTION & SALES OPERATION

For the six months ended 30 June 2008, the Group had adjusted product composition according to the market conditions. The production volume of the bulk medicines was increased by 34.4% while the sales volume decreased by 5.2% from the corresponding period of last year. The production volume of powder for injections was increased by 28.2% while the sales volume had a slight increase over the corresponding period of last year. The production volume and sales volume of solid-dosage-forms were increased by 19.7% and 11% respectively from the corresponding period of last year. The export trading was decreased by 24.5% to RMB37,927,000 from the corresponding period of last year.

2. DEVELOPMENT OF NEW PRODUCTS

In the first half of 2008, the Group had 4 products approved for production by the State Food and Drug Administration of the PRC, together with 4 production permits. There was 1 certificate of new pharmaceutical product granted for Cetirizine Hydrochloride and Pseudoephedrine Hydrochloride Sustained-Release Tablets, an anti-allergic system specific medicine. In addition, the Group received 7 supplemental production permits, 4 clinical trials permits, submitted registration applications for 13 projects, completed 2 oral cephalosporin products' clinical trials and engaged in 2 cardiovascular system specific medicines' clinical trials.

3. 2008 HONOURABLE RECOGNITION

- i) The production technology of the Group's 2 products namely, Amlodipine Besylate Tablets and Montelukast Sodium Orally Disintegrating Tablets, have been granted patents in China in June 2008.
- ii) Suzhou Dawnrays Pharmaceutical Co., Ltd. passed the examination and assessment on Quality Management Systems ISO9001, Environmental Management System ISO14001 and Occupational Health and Safety Management System OHSAS18001 as conducted by National Quality Assurance Ltd, (NQA), an accredited certification body in the United Kingdom and has been awarded with Certificate of Assessment in June 2008.

業務回顧

1. 生產銷售概況

截至二零零八年六月三十日止六個月期間，本集團根據市場狀況調整產品結構，原料藥的產量及銷量分別較去年同期增長34.4%及減少5.2%；粉針劑的產量較去年同期增長28.2%，而銷量則較去年同期略有增加；固型劑的產量及銷量分別較去年同期增長19.7%及11%。出口業務銷售額為人民幣37,927,000元，較去年同期減少24.5%。

2. 新產品情況

二零零八年上半年共有4個品種獲國家食品藥品監督管理局批准生產，獲得生產批件4個，獲新藥證書1個，品種為抗過敏專科用藥「西替偽麻緩釋片」；獲補充批件7個；獲臨床批件4個；註冊申報的專案有13個；完成2個口服頭孢品種的臨床試驗，另外2個心血管系統藥物正在進行臨床試驗。

3. 二零零八年獲得之榮譽

- ii) 於二零零八年六月，本集團的苯磺酸氨氯地平片及孟魯司特口腔崩解片兩個產品的生產技術獲得中國專利。
- ii) 蘇州東瑞製藥有限公司於二零零八年六月順利通過了英國NQA認證機構對公司ISO9001質量管理體系，ISO14001環境管理體系，OHSAS18001職業健康安全管理体系的認證審核並取得認證證書。

4. Construction projects for the expansion of production facilities

- i) Construction works for Suzhou Dawnrays Pharmaceutical Co., Ltd's Re-location and expansion of bulk medicine workshops project started in March 2008.
- ii) Suzhou Dawnrays Chemical Co., Ltd. reformed both solvent recycling and waste water treatment systems.
- iii) The civil engineering of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. basically completed.
- iv) Suzhou Dawnrays Pharmaceutical Co., Ltd. started contriving a plan to construct an oral system specific medicines workshop on the newly acquired land.

4. 擴充生產設施專案建設

- i) 蘇州東瑞製藥有限公司原料藥車間移地改建專案於二零零八年三月開始動工。
- ii) 蘇州東瑞化工有限公司完成溶媒回收改造項目及汙水處理改造項目。
- iii) 東瑞(南通)醫藥科技有限公司的土木工程基本完成。
- iv) 蘇州東瑞製藥有限公司擬在新購土地上建設的口服專科用藥廠房開始設計。

FINANCIAL REVIEW

SALES & GROSS PROFIT

During the six months ended 30 June 2008, the Group has recorded the total turnover of approximately RMB456,118,000, representing an increase of 4.3% as compared with the corresponding period of last year. The growth was mainly due to an increase in the sales volume of solid-dosage-forms (most are system specific medicines) by 11% and a slight increase in the sales volume of powder for injections as compared with the corresponding period of last year.

Gross profit was approximately RMB121,985,000, equivalent to an increase of 24.5% compared with the corresponding period of last year. Gross profit margin was 26.7%, representing a rise of 4.3% as compared with 22.4% in the corresponding period of last year. The main reasons for the increase in gross profit margin were due to increase in percentage of the sales of solid-dosage forms (most are system specific medicines) over total turnover increased from 11.37% to 13.10% and the increase in the gross profit margin of bulk medicines by 5.4% as compared with the corresponding period of last year.

財務回顧

銷售及毛利

截至二零零八年六月三十日止，本集團上半年營業額約人民幣456,118,000元，比去年同期增長4.3%，主要是固型劑（主要為系統專科用藥）的銷售數量較去年同期增長11%和粉針劑的銷售數量略微增長所致。

毛利額約人民幣121,985,000元，比去年同期增長24.5%。毛利率為26.7%，較去年同期的22.4%上升了4.3%。毛利率上升的主要原因是固型劑（主要為系統專科用藥）的銷售額比重由去年同期的11.37%上升至13.10%以及原料藥的毛利率較去年同期提升5.4%。

Table of Turnover Analysis

營業額分析

Product	產品	Turnover (RMB'000)		Sales Breakdown (%)		Gross Profit Margin (%)	
		營業額 (人民幣千元)		銷售比例 (%)		毛利率 (%)	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
Bulk Medicines	原料藥	257,470	261,770	56.45	59.87	17.4	12.0
Powder for Injections	粉針劑	138,906	125,759	30.45	28.76	23.2	22.5
Solid-Dosage-Forms	固型劑	59,742	49,673	13.10	11.37	75.1	76.9
Overall	總體	456,118	437,202	100.00	100.0	26.7	22.4

EXPENSES

During the period, the total expenses incurred were approximately RMB71,487,000, equivalent to a rise of 35.0% compared with the corresponding period of last year. The total expenses as a percentage of turnover was 15.7% (2007: 12.1%).

Of which, selling and distribution expenses was approximately RMB 39,683,000, equivalent to a rise of 30% compared with the corresponding period of last year. The selling and distribution expenses as a percentage of turnover was 8.7% (2007: 7.0%). The reasons for the significant increases were due to the increase in promotion expenses for exploiting market and welfare expenses of salespeople.

Administration expenses and other expenses totalling approximately RMB 31,804,000, representing 7.0% of turnover (2007: 5.1%), accounted for an increase of 41.9% from the corresponding period of last year. The increase was mainly due to the increases of research and development expenses and employees' salaries.

NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

For the period ended 30 June 2008, net profit attributable to equity holders amounted to RMB48,863,000, posted a rise of 18.2% compared with the corresponding period of last year. The reason for the increase in profit was mainly due to the rise of gross profit margin.

費用

本期間，費用支出約共人民幣71,487,000，較去年同期增加35.0%。佔營業額的比例為15.7%(二零零七年:12.1%)。

其中，銷售及分銷費用人民幣39,683,000元，較去年同期增加30.0%。佔營業額的比例為8.7%(二零零七年:7.0%)，大幅增長的主要原因是為了拓展市場帶來宣傳推廣費用增加和銷售人員福利增加。

行政費用及其他費用共人民幣31,804,000元，較去年同期增加41.9%。佔營業額的比例為7.0%(二零零七年:5.1%)，主要是研發費用和員工工資的增加。

權益持有人應佔純利

截至二零零八年六月三十日止期間，權益持有人應佔純利約人民幣48,863,000元，比去年同期增加18.2%。利潤增加主要是受益於毛利率的增長。

ANALYSIS ON RETURN ON ASSETS

As at 30 June 2008, net assets of the Group were approximately RMB 597,544,000. Net return on net assets, which is defined as the net profit attributable to equity holders divided by net assets, was 8.2% (2007: 7.6%). The current ratio and quick ratio were 1.87 and 1.30 respectively. Turnover days for trade and notes receivables were approximately 135 days. Turnover days for inventory were approximately 85 days.

LIQUIDITY & FINANCIAL RESOURCES

As at 30 June 2008, the Group held cash and cash equivalents of approximately RMB63,891,000 (as at 31 December 2007: RMB 76,843,000). During the period, net cash inflows from operating activities was approximately RMB36,068,000 (2007: RMB39,929,000). Net cash outflows from investing activities was approximately RMB20,164,000 (2007: RMB5,381,000). Net cash outflows from financing activities was approximately RMB28,034,000 (2007: RMB10,853,000).

As at 30 June 2008, the debt ratio (defined as interest bearing loans and borrowings over total assets) of the Group was 0% (as at 31 December 2007: 0%).

As at 30 June 2008, the Group had aggregated bank facilities of approximately RMB513,500,000 (as at 31 December 2007: RMB543,400,000).

As at 30 June 2008, the Group's capital commitment was approximately RMB123,060,000 (as at 31 December 2007: RMB103,859,000), which mainly derived from construction of the new bulk medicine workshops for cephalosporin products and re-engineering of old workshop according to GMP requirement in Suzhou Dawnrays Pharmaceutical Co., Ltd., the construction project of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., the construction of multi-function workshop and environmental protection projects for Suzhou Dawnrays Chemical Co., Ltd. etc. The Group has sufficient financial and internal resources to bear the capital expenditures.

The Group undertook restructuring in 2007 by intra-group share transfer among some of the subsidiaries in China. As at 30 June 2008, the relevant changing procedures were still in progress. Save as disclosed above, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies.

資產盈利能力分析

於二零零八年六月三十日，本集團的淨資產約人民幣 597,544,000 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 8.2%（二零零七年：7.6%）。流動比率和速動比率分別為 1.87 和 1.30，應收帳款（含應收票據）周轉期約 135 日，存貨周轉期約 85 日。

流動資金及財政資源

於二零零八年六月三十日，本集團持有現金及現金等價物約人民幣 63,891,000 元（於二零零七年十二月三十一日：人民幣 76,843,000 元）。本期間，經營活動的現金流入淨額約人民幣 36,068,000 元（二零零七年：人民幣 39,929,000 元）；投資活動的現金流出淨額約人民幣 20,164,000 元（二零零七年：人民幣 5,381,000 元）；融資活動的現金流出淨額約人民幣 28,034,000 元（二零零七年：人民幣 10,853,000 元）。

於二零零八年六月三十日，本集團之負債比率（界定為計息貸款及借貸除以資產總值）為 0%（於二零零七年十二月三十一日：0%）。

於二零零八年六月三十日，本集團可動用的銀行信貸總額約人民幣 513,500,000 元（於二零零七年十二月三十一日：人民幣 543,400,000 元）。

於二零零八年六月三十日，本集團的資本開支承擔約人民幣 123,060,000 元（於二零零七年十二月三十一日：人民幣 103,859,000 元），主要涉及蘇州東瑞製藥有限公司的頭孢原料藥車間的建設和舊車間的 GMP 改造工程；東瑞（南通）醫藥科技有限公司的建設；蘇州東瑞化工有限公司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。

本集團於二零零七年起重整架構，進行內部轉讓部份國內附屬公司股權，於二零零八年六月三十日，有關之變更手續仍在進行中。除此以外，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。

FOREIGN EXCHANGE & TREASURY POLICIES

Substantially all of the business activities, assets, liabilities of the Group are denominated in Renminbi, therefore 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 fluctuations with foreign exchange forward contracts if necessary.

STAFF & REMUNERATION POLICY

As at 30 June 2008, the Group employed approximately 1,587 employees. During the period, the total remuneration was approximately RMB39,086,000 (2007: RMB25,232,000). The Group regards human resources as the most valuable assets and truly understands the importance of attracting and keeping high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement scheme, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

CHARGES ON ASSETS

As at 30 June 2008, the Group had no asset being pledged to banks to obtain credit facilities (as at 31 December 2007: Nil).

CONTINGENT LIABILITIES

As at 30 June 2008, the Group had no material contingent liabilities (as at 31 December 2007: Nil).

PLANS FOR SIGNIFICANT INVESTMENTS & 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.

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。

僱員及薪酬政策

於二零零八年六月三十日，本集團約有1,587名僱員，本期間，員工費用總額約為人民幣39,086,000元（二零零七年：人民幣25,232,000元）。本集團視人力資源為最寶貴的財富，深明吸納及挽留表現稱職的員工的重要性。薪酬政策一般參考市場水平及個別員工的資歷而定。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。

資產抵押

於二零零八年六月三十日，本集團無任何資產抵押予銀行，以取得信貸額度（於二零零七年十二月三十一日：無）。

或有負債

於二零零八年六月三十日，本集團並無重大或有負債（於二零零七年十二月三十一日：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。

Other Information 其他資料

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

As at 30 June 2008, 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

Name 名稱	Notes 附註	Number of ordinary shares held, capacity and nature of interest 持有普通股的數目、身份及權益性質		Total 總計	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	Through controlled corporation 通過控制 公司持有		
Directors 董事					
Ms. Li Kei Ling 李其玲女士	(a)	–	342,072,000	342,072,000	43.09
Mr. Hung Yung Lai 熊融禮先生	(a)	–	342,072,000	342,072,000	43.09
Mr. Li Tung Ming 李東明先生	(b)	8,340,000	56,000,000	64,340,000	8.10
Mr. Gao Yi 高毅先生	(c)	4,200,000	–	4,200,000	0.53
Mr. Leung Hong Man 梁康民先生	(d)	–	56,000,000	56,000,000	7.05

董事及行政總裁於股份及相關股份的權益及淡倉

於二零零八年六月三十日，董事及行政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香港聯合交易所有限公司（「聯交所」）的權益及淡倉載列如下：

於本公司普通股中的好倉：

Other Information 其他資料

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	Name of associated corporation	Relationship with the Company	Number of Ordinary shares held 持有普通股的數目	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	Company's holding company 本公司的控股公司	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	Company's holding company 本公司的控股公司	2	Through a controlled corporation 通過一間控制公司	50

Notes:

附註：

- (a) 342,072,000 shares of the Company 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.
- (a) 342,072,000 股本公司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 shares of the Company 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.
- (b) 56,000,000 股本公司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) 600,000 shares of the Company are directly beneficially owned by Mr. Gao Yi and 3,600,000 underlying shares are the share options granted to him under the share option scheme of the Company. Details of Mr. Gao Yi's interests in the share options of the Company are disclosed in note 13 to the interim financial information.
- (c) 600,000 股本公司股份由高毅先生直接實益擁有，3,600,000 股相關股份的權益為根據本公司購股權計劃授予他的購股權，有關高毅先生購股權的詳情載列於中期財務資料附註 13。
- (d) 56,000,000 shares of the Company 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.
- (d) 56,000,000 股本公司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。

Save as disclosed above, as at 30 June 2008, 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 under the heading "Directors' and Chief Executive's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 13 to the interim financial information, at no time during the period 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.

SHARE OPTION SCHEME

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in note 13 to the interim financial information.

除上述者外，於二零零八年六月三十日，概無董事或行政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「董事及行政總裁於股份及相關股份的權益及淡倉」一節及中期財務資料附註13所載購股權計劃披露的事宜外，在本期間並無任何董事、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。

購股權計劃

有關本公司購股權計劃的詳情及購股權之估值載於中期財務資料附註13。

Other Information 其他資料

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

As at 30 June 2008, 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:

主要股東及其他人士於股份及相關股份的權益

於二零零八年六月三十日，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：

好倉：

Number of ordinary shares held, capacity and nature of interest 持有普通股的數目、身份及權益性質

Name	Notes	Directly Beneficially owned	Family interest	Through a controlled corporation	Total	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
名稱	附註	直接實益擁有	家屬權益	通過一家控制公司	總數	
Fortune United Group Limited	(a)	342,072,000	–	–	342,072,000	43.09
Keysmart Enterprises Limited	(a)	–	–	342,072,000	342,072,000	43.09
Hunwick International Limited	(a)	–	–	342,072,000	342,072,000	43.09
Mdm. lu Pun 姚彬女士	(b)	–	342,072,000	–	342,072,000	43.09
Time Lead Investments Limited	(c)	56,000,000	–	–	56,000,000	7.05
Toyo International Investment Limited 東海國際投資有限公司	(d)	56,000,000	–	–	56,000,000	7.05
Mdm. Lo Mei Sai 羅美茜女士	(e)	–	56,000,000	–	56,000,000	7.05
Mr. Leung Yiu Sing 梁耀成先生	(d) & (f)	1,264,000	–	59,404,000	60,668,000	7.64
Mdm. Chu Shuet Fong 朱雪芳女士	(f) & (g)	1,264,000	56,000,000	3,404,000	60,668,000	7.64

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.

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。

Other Information 其他資料

- (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) 3,404,000 shares of the Company are held by Dragon Asia Industrial (Holdings) Ltd, a company incorporated in Hong Kong. Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, his wife, are each beneficially interested in 50% of the share capital of Dragon Asia Industrial (Holdings) Ltd. In addition, 1,264,000 shares of the Company are jointly held by Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, both are 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.
- (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) 3,404,000 股本公司股份由一家於香港註冊成立的公司東龍實業集團有限公司所持有，東龍實業集團有限公司的全部已發行股本由梁耀成先生及其配偶朱雪芳女士各自實益擁有 50% 權益。此外，梁耀成先生及朱雪芳女士共同持有 1,264,000 股本公司股份，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。

Save as disclosed above, as at 30 June 2008, no person, other than the Directors and Chief Executive Officer of the Company, whose interests are set out under the heading "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.

除上文披露者外，於二零零八年六月三十日，並無其他人士（本公司董事及行政總裁除外，有關彼等的權益載於上文「董事及行政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）。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

購買、贖回或出售本公司上市證券

For the six months ended 30 June 2008, the Company repurchased 416,000 shares of the Company's securities on the Stock Exchange at an aggregate consideration of HK\$313,840 before expenses. The monthly breakdown of shares repurchased during the period was as follows:

截至二零零八年六月三十日止六個月期間，本公司在聯交所購回 416,000 股本公司股份，未計其他費用之總代價為港幣 313,840 元，每月購回股份之詳情載列如下：

Month of Repurchase (month/year) 贖回月份 (月/年)	Number of Shares Repurchased 購回股份數目	The highest price paid per share (HK\$) 最高價 (每股港幣)	The lowest price paid per share (HK\$) 最低價 (每股港幣)	Aggregate consideration paid (HK\$) 代價總額 (港幣)
1/2008	416,000	0.76	0.74	313,840
Total	總數 416,000			313,840

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.

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。

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 six months ended 30 June 2008.

除上文披露者外，截至二零零八年六月三十日止之六個月內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (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 the Company’s Directors, the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the interim report.

AUDIT COMMITTEE

The Company has an 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.

The unaudited interim condensed consolidated financial statements of the Company for the period ended 30 June 2008 have been reviewed by the audit committee before recommending it to the Board for approval.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 8 September 2008 to Tuesday, 9 September 2008 (both days inclusive), during which period no transfer of shares will be registered.

Dividend warrants will be despatched to shareholders on or about Wednesday, 17 September 2008. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates 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 4:00 p.m. on Friday, 5 September 2008.

By Order of the Board

Li Kei Ling

Chairman

Hong Kong, 21 August 2008

證券交易的標準守則

本公司已採納載於聯交所證券上市規則(「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。根據對本公司董事作出的特定查詢後，董事於本報告覆蓋的會計期內一直遵守標準守則所規定的準則。

審核委員會

本公司根據上市規則第3.21條，就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。審核委員會包括三名本公司獨立非執行董事。

本公司截至二零零八年六月三十日止的未經審核簡明合併中期財務報表於提呈董事會批准前由審核委員會審閱。

企業管治常規守則

董事認為，於截至二零零八年六月三十日止六個月期間內，本公司一直遵守上市規則附錄十四的企業管治常規守則所載之守則規定。

暫停辦理股份過戶登記

本公司於二零零八年九月八日星期一至二零零八年九月九日星期二(首尾兩天包括在內)，暫停辦理股份過戶登記手續。

股息單約將二零零八年九月十七日星期三寄發予股東。為確保獲派中期股息，凡未過戶之股票必須連同填妥的股票轉讓書，於二零零八年九月五日星期五下午四時正前，送達本公司股份過戶登記處，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。

代表董事會

李其玲

主席

香港，二零零八年八月二十一日

Condensed Consolidated Income Statement 簡明合併利潤表

		For the six months ended 30 June 截至六月三十日止六個月		
		2008 二零零八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元	
	Notes 附註			
TURNOVER	營業額	3	456,118	437,202
Cost of sales	銷售成本		(334,133)	(339,226)
Gross profit	毛利		121,985	97,976
Other income and gain	其他收入及收益	3	2,759	1,076
Selling and distribution costs	銷售及分銷費用		(39,683)	(30,525)
Administrative expenses	行政費用		(21,777)	(18,072)
Other expenses	其他費用		(10,027)	(4,347)
PROFIT BEFORE TAX	除稅前溢利	4	53,257	46,108
Tax	稅項	5	(4,324)	(4,712)
PROFIT FOR THE PERIOD	本期間溢利		48,933	41,396
Attributable to:	以下各項應佔：			
Equity holders of the parent	母公司權益持有人		48,863	41,356
Minority interest	少數股東權益		70	40
			48,933	41,396
DIVIDENDS	股息	6	12,571	11,804
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權持有人 應佔每股盈利	7		
– basic, for profit for the period	– 基本，以本期間溢利計算		RMB0.0616	RMB0.0516
– diluted, for profit for the period	– 攤薄，以本期間溢利計算		RMB0.0612	RMB0.0513

Condensed Consolidated Balance Sheet

簡明合併資產負債表

		30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
	Notes 附註		
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	8	215,227
Land use rights	土地使用權		23,338
Construction in progress	在建工程		26,513
Prepayments	預付款		26,072
Intangible assets	無形資產		14,493
Deferred tax assets	遞延稅項資產		797
			868
Total non-current assets	非流動資產總額		306,440
			298,310
CURRENT ASSETS	流動資產		
Inventories	存貨	9	190,647
Trade and notes receivables	應收貿易及票據款項	10	343,869
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		20,668
Financial assets at fair value through profit or loss	按公允值記入損益表之財務資產		4,774
Cash and cash equivalents	現金及現金等價物		63,891
			76,843
Total current assets	流動資產總額		623,849
			553,088
CURRENT LIABILITIES	流動負債		
Trade and notes payables	應付貿易及票據款項	11	310,342
Other payables and accruals	其他應付款及應計負債		17,411
Income tax payable	應付所得稅		4,992
			2,142
Total current liabilities	流動負債總額		332,745
			272,392
Net current assets	流動資產淨額		291,104
			280,696
Total assets less current liabilities	資產總額減流動負債		597,544
			579,006
EQUITY	權益		
Equity attributable to equity holders of the parent	母公司權益持有人應佔權益		
Issued capital	已發行股本	12	84,308
Reserves	儲備		512,588
Proposed final dividend	擬派末期股息		-
			28,224
			596,896
			578,352
Minority interest	少數股東權益		648
			654
Total equity	權益總額		597,544
			579,006

Condensed Consolidated Statement of Changes in Equity

簡明合併權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2008

截至二零零八年六月三十日止六個月

(Unaudited)
(未經審核)

		Attributable to equity holders of the parent 母公司權益持有人應佔權益											
		Issued share capital 已發行 股本	Share premium account 股份溢價	Capital redemption reserve 資本 贖回儲備	Share option reserve 購股權 儲備	Contributed surplus 總入盈餘	Statutory surplus reserve 法定盈餘 公積金	Exchange fluctuation reserve 匯兌 波動儲備	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Total	Minority interest 少數股東 權益	Total equity 權益總額
		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	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	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2007	於二零零七年一月一日	84,791	69,160	194	1,902	100,175	52,771	383	189,227	13,654	512,257	790	513,047
Exchange realignment	匯兌調整	-	-	-	-	-	-	(192)	-	-	(192)	-	(192)
Net profit for the period	本期間淨溢利	-	-	-	-	-	-	-	41,356	-	41,356	40	41,396
Exercise of share options	行使購股權	507	3,002	-	(578)	-	-	-	-	-	2,931	-	2,931
Shares repurchased and cancelled	購回及註銷股份	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to minority shareholder	已付少數股東股息	-	-	-	-	-	-	-	-	-	-	(67)	(67)
Final 2006 dividend declared	宣派二零零六年末期股息	-	-	-	-	-	-	-	-	(13,654)	(13,654)	-	(13,654)
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)	-	(65)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	386	-	-	-	-	-	386	-	386
At 30 June 2007	於二零零七年六月三十日	85,298	72,162	194	1,710	100,175	52,771	191	230,518	-	543,019	763	543,782
At 1 January 2008	於二零零八年一月一日	84,241	65,370	1,249	2,208	100,175	63,153	(5,037)	238,769	28,224	578,352	654	579,006
Exchange realignment	匯兌調整	-	-	-	-	-	-	(2,726)	-	-	(2,726)	-	(2,726)
Net profit for the period	本期間淨溢利	-	-	-	-	-	-	-	48,863	-	48,863	70	48,933
Exercise of share options	行使購股權	105	613	-	(115)	-	-	-	-	-	603	-	603
Shares repurchased and cancelled	購回及註銷股份	(38)	(248)	38	-	-	-	-	(38)	-	(286)	-	(286)
Dividends paid to minority shareholder	已付少數股東股息	-	-	-	-	-	-	-	-	-	-	(76)	(76)
Final 2007 dividend declared	宣派二零零七年末期股息	-	-	-	-	-	-	-	-	(28,224)	(28,224)	-	(28,224)
Dividend on shares issued for employee share options exercised after 31 December 2007	二零零七年十二月三十一日 後行使的僱員購股權所發行 股份的股息	-	-	-	-	-	-	-	(22)	-	(22)	-	(22)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	336	-	-	-	-	-	336	-	336
At 30 June 2008	於二零零八年六月三十日	84,308	65,735	1,287	2,429	100,175	63,153	(7,763)	287,572	-	596,896	648	597,544

Condensed Consolidated Cash Flow Statement

簡明合併現金流量表

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net cash inflows from operating activities	經營活動的現金流入淨額	36,068	39,929
Net cash outflows from investing activities	投資活動的現金流出淨額	(20,164)	(5,381)
Net cash outflows from financing activities	融資活動的現金流出淨額	(28,034)	(10,853)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(12,130)	23,695
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	76,843	44,023
Effect of foreign exchange rate changes, net	匯率變動之影響淨額	(822)	-
Cash and cash equivalents as 30 June	於六月三十日的現金及現金等價物	63,891	67,718
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	45,097	53,389
Short term deposit	短期銀行存款	18,794	14,329
		63,891	67,718

1. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Basis of preparation

The unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2008 (collectively defined as the “interim financial information”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and applicable disclosure provisions of Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited. 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.

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial information does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2007.

Impact of new and revised International Financial Reporting Standards

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group’s financial statements for the year ended 31 December 2007, except for the adoption of the new and revised International Financial Reporting Standards (“IFRSs”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations as noted below:

IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions

IFRIC 12 – Service Concession Arrangements

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

The adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

1. 編製基準及新訂及經修訂的國際財務報告準則的影響

編製基準

截至二零零八年六月三十日止六個月期間的未經審核簡明合併中期財務報表(統稱「中期財務資料」)乃根據國際會計準則委員會頒佈的《國際會計準則》第34號「中期財務報告」及所有適用的《香港聯合交易所有限公司證券上市規則》附錄16披露規定編製。除按公允值計算並記入損益表之財務資產外，中期財務資料乃按歷史成本原則編製。

管理層需在編製符合國際會計準則第34號的中期財務資料時作出對會計政策應用，以及資產、負債、收入和支出以截至結算日的方法的報告數額構成影響的判斷、估計及假設。實際結果可能有別於估計數額。

中期財務資料未包括年度會計報表所要求披露的所有資訊，因此閱讀時應結合本集團截至二零零七年十二月三十一日止的經審核會計報表。

新訂及經修訂國際財務報告準則的影響

編製中期財務資料採納的會計政策與編製本集團截至二零零七年十二月三十一日止年度的財務報表採納的會計政策一致，除採納新訂及經修訂國際財務報告準則(「國際財務報告準則」)及國際財務報告解釋委員會的詮釋(「國際財務報告解釋公告」)如下：

國際財務報告 解釋公告 11 號 –	國際財務報告準則第 2 號 – 集團和庫存股票交易
國際財務報告 解釋公告 12 號 –	服務特許權安排
國際財務報告 解釋公告 14 號 –	國際會計準則第 19 號 – 設定受益資產的上限， 最低注資要求及其相互 影響

採納此等準則及詮釋對本集團的財務狀況或表現並未產生重大影響。

Notes to the Interim Financial Information 中期財務資料附註

2. 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.

3. TURNOVER, OTHER INCOME AND GAIN

2. 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，並無呈列業務分類及地區分類。

3. 營業額, 其他收入及收益

		For the six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Turnover	營業額		
Sale of goods	銷售貨品	456,118	437,202
Other income	其他收入		
Bank interest income	銀行利息收入	641	478
Dividend income from financial assets at fair value through profit or loss	按公允值記入損益表之 財務資產股息收入	81	21
Government grants	政府撥款	350	50
Tax refund for reinvestment	再投資的退稅款	1,265	-
Others	其他	322	241
		2,659	790
Gain	收益		
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 財務資產收益	100	286
		2,759	1,076

Notes to the Interim Financial Information 中期財務資料附註

4. PROFIT BEFORE TAX

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

4. 除稅前溢利

除稅前溢利乃經扣除／(計入)下列各項後釐定：

		For the six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of the inventories sold	已售存貨成本	334,133	339,226
Depreciation	折舊	11,436	11,566
Recognition of land use rights *	土地使用權確認 *	182	154
Research and development costs:	研究及開發成本：		
Amortisation of intangible assets**	無形資產攤銷 **	428	281
Current period expenditure	本期間支出	7,896	5,845
		8,324	6,126
Minimum lease payments under operating leases:	按經營租約之最低租金：		
Buildings	樓宇	1,014	789
Employee benefit expense (including directors' remuneration) :	僱員福利開支 (包括董事酬金)：		
Wages and salaries	工資及薪金	34,990	22,073
Retirement costs	退休成本	2,696	2,067
Accommodation benefits	住房福利	1,060	706
Equity-settled share option expense	以股權支付的購股權開支	340	386
		39,086	25,232
Foreign exchange differences, net***	匯兌差額，淨額 ***	(1,908)	228
Impairment of trade receivables	應收貿易款項減值	400	-
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	1,795	-
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	704	(526)
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	60	108

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

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

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

* 本期間的土地使用權確認計入簡明合併利潤表的「行政費用」。

** 本期間的無形資產攤銷計入簡明合併利潤表的「其他費用」。

*** 本期間的匯兌差額淨額計入簡明合併利潤表的「其他費用」。

Notes to the Interim Financial Information
中期財務資料附註

5. TAX

Current income tax	當期所得稅
Current income tax charge	當期所得稅支出
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅調整
Deferred income tax	遞延稅項

5. 稅項

For the six months ended 30 June	
截至六月三十日止六個月	
2008	2007
二零零八年	二零零七年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
RMB'000	RMB'000
人民幣千元	人民幣千元
4,297	4,398
(44)	136
71	178
4,324	4,712

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period. Taxation for the subsidiaries in Mainland China is calculated on the estimated assessable profits for the period at the rates of tax prevailing in the locations in which the Group's subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

由於本集團於本期間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。於中國大陸之附屬公司的稅項乃根據本期間估計應課稅溢利，按本集團附屬公司經營業務所在地之現行法律、釋義及慣例，以當地之適用稅率而計算。

6. DIVIDENDS

Dividend pertaining to the prior year declared in the six months ended 30 June Interim – HK\$0.018 (2007: HK\$0.015) per ordinary share	截至六月三十日止六個月宣派的去年度股息 中期：每股普通股港幣0.018元 (二零零七年：港幣0.015元)
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6. 股息

For the six months ended 30 June	
截至六月三十日止六個月	
2008	2007
二零零八年	二零零七年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
RMB'000	RMB'000
人民幣千元	人民幣千元
28,246	13,654
12,571	11,804

On 21 August 2008, the Company declared an interim dividend for the year ending 31 December 2008, at HK\$0.018 per share, amounting to a total sum of approximately HK\$14,290,500 (equivalent to approximately RMB12,571,000).

本公司於二零零八年八月二十一日宣派截至二零零八年十二月三十一日止年度的中期股息每股港幣0.018元，合共約港幣14,290,500元(約相當於人民幣12,571,000元)。

Notes to the Interim Financial Information 中期財務資料附註

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2008 is based on the net profit attributable to ordinary equity holders of the parent of RMB48,863,000 (2007: RMB41,356,000) and the weighted average number of 793,670,154 ordinary shares (2007: 802,090,718 ordinary shares) in issue during the period.

The calculation of diluted earnings per share for the period is based on the net profit attributable to ordinary equity holders of the parent of RMB48,863,000 (2007: RMB41,356,000) and the weighted average number of 798,351,527 ordinary shares (2007: 806,692,166 ordinary shares) in issue during the period after adjusting for the effect of dilutive options.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to approximately RMB3,638,000 (2007: approximately RMB1,761,000). During the period, items of plant and equipment with net book value of approximately RMB137,057 (2007: approximately RMB108,000) were disposed of.

9. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

7. 每股盈利

截至二零零八年六月三十日止六個月的基本每股盈利乃按母公司普通股權益持有人應佔淨溢利人民幣48,863,000元(二零零七年：人民幣41,356,000元)以及於本期間已發行普通股之加權平均股數793,670,154股(二零零七年：802,090,718股)而計算。

本期間每股攤薄盈利乃按母公司普通股權益持有人應佔淨溢利人民幣48,863,000元(二零零七年：人民幣41,356,000元)以及本期間已發行普通股之加權平均股數798,351,527股(二零零七年：806,692,166股)計算，並就具攤薄作用之購股權予以調整。

8. 物業、廠房及設備之變動

本期間，添置之物業、廠房及設備總值約為人民幣3,638,000元(二零零七年：約值人民幣1,761,000元)。本期間，出售之廠房及設備項目賬面淨值約為人民幣137,057元(二零零七年：約值人民幣108,000元)。

9. 存貨

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
30,510	19,207
61,802	87,584
98,335	17,644
190,647	124,435

Notes to the Interim Financial Information 中期財務資料附註

10. TRADE AND NOTES RECEIVABLES

An aged analysis of the trade and notes receivables as at the balance sheet date, based on the invoice date, 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

10. 應收貿易及票據款項

按發票日期計，於結算日的應收貿易及票據款項賬齡分析如下：

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
135,866	136,506
18,763	5,463
510	1,002
429	67
402	49
155,970	143,087
146,377	114,721
41,522	83,362
187,899	198,083
343,869	341,170

The Group's trading terms with its customers are mainly on credit. Invoices are normally payable within one month of issue, except for major customers, where the terms are extended to three months.

本集團主要按信貸方式與客戶交易。信貸期一般為期一個月，而主要客戶則可延長至三個月。

Notes to the Interim Financial Information 中期財務資料附註

11. 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:

Trade payables	應付貿易款項
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 payables	應付票據款項
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
Between 181 and 270 days	181至270日

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.

11. 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票據款項賬齡分析如下：

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
78,800	41,813
1,944	14,841
1,047	213
1	130
104	246
81,896	57,243
142,792	107,161
78,989	83,003
6,665	-
228,446	190,164
310,342	247,407

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。

Notes to the Interim Financial Information 中期財務資料附註

12. SHARE CAPITAL

12. 股本

		Number of shares 股份數目		Amount 金額	
		30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核)	30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核) HK\$'000 港幣千元
Ordinary shares of HK\$0.1 each	每股面值港幣一毫之普通股				
Authorised:	法定股本：	10,000,000,000	10,000,000,000	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足股份：				
At the beginning of the period/year	於期初／年初	793,172,000	799,140,000	79,317	79,914
Shares repurchased and cancelled	已贖回及註銷的股份	(416,000)	(11,084,000)	(42)	(1,108)
Shares issued upon exercise of share options	行使購股權時發行股份	1,160,000	5,116,000	116	511
At end of the period/year	於期終／年終	793,916,000	793,172,000	79,391	79,317
Equivalent to RMB'000	等值人民幣千元			84,308	84,241

During the period, 1,160,000 share options under the Company's share option scheme were exercised. Accordingly, 1,160,000 ordinary shares of HK\$0.1 each were issued as a result of exercise of share options.

The Company repurchased 416,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$313,840 before expenses. The repurchased shares were subsequently cancelled. The nominal value of the cancelled shares were transferred to the capital redemption reserve and the premium payable on the repurchase was charged against the share premium account.

於本期間，1,160,000 股根據本公司購股權計劃之購股權已獲行使。因此，1,160,000 股每股面值港幣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 416,000 股本公司股份，除費用前總代價為 313,840 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。

Notes to the Interim Financial Information 中期財務資料附註

13. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible persons (including the Company’s directors, employees of the Group and other eligible participants as defined under the Scheme) who contribute to the success of the Group’s operations. The Scheme was adopted on 21 June 2003 and will remain in force for 10 years from that date until 20 June 2013.

Movements of Company’s share options under the Scheme during the period are as follows:

13. 購股權計劃

本公司設立一項購股權計劃(「計劃」)作為給予為本集團業務之成功作出貢獻的合資格參與人士(包括本公司的董事，本集團的僱員及根據計劃所界定的其他合資格參與者)的激勵及獎勵。該計劃於二零零三年六月二十一日採納，並由該日起計十年內有效，直至二零一三年六月二十日止。

關於本期間購股權變動資料載列如下

Name or category of participant	參與者名稱或類別	Number of share options 購股權數目				At 30 June 2008	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 2008	Granted during the period	Exercised during the period	Lapsed during the period (d)					At immediate date before the grant
Director	董事									
Mr. Gao Yi	高毅先生	900,000	-	(300,000)	-	28/12/04	28/12/05-27/12/10	0.58	0.59	
		3,000,000	-	-	-	04/04/07	04/04/08-03/04/13	0.71	0.70	
		3,900,000	-	(300,000)	-					
Other employees	其他僱員									
In aggregate	總計	2,500,000	-	-	-	17/11/04	17/11/05-16/11/10	0.63	0.62	
		11,280,000	-	(860,000)	(140,000)	28/12/04	28/12/05-27/12/10	0.58	0.59	
		800,000	-	-	-	10/01/07	01/09/07-31/08/12	0.72	0.68	
		4,500,000	-	-	-	04/04/07	04/04/08-03/04/13	0.71	0.70	
		1,300,000	-	-	-	10/07/07	10/07/08-09/07/13	0.80	0.80	
		-	800,000	-	-	01/02/08	01/02/09-31/01/14	0.74	0.74	
		20,380,000	800,000	(860,000)	(140,000)					
Other participant	其他參與者	400,000	-	-	-	05/05/05	05/05/06-04/05/09	0.50	0.49	
		24,680,000	800,000	(1,160,000)	(140,000)					

13. SHARE OPTION SCHEME (CONTINUED)

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- (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.
- (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.
- (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees.

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\$0.76 and HK\$0.77 respectively.

For the six months ended 30 June 2008, 800,000 shares options were granted and no share options were cancelled by the company. At the balance sheet date, the Company had 24,180,000 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 24,180,000 additional ordinary shares of the Company, additional share capital of HK\$2,418,000 and share premium of HK\$13,200,400 (before share issue expenses).

13. 購股權計劃(續)

- (a) 購股權的歸屬期為授出日期至行使期開始為止。
- (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。
- (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。
- (d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。

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前一日之加權平均股份收市價分別為港幣七毫六仙及港幣七毫七仙。

截至二零零八年六月三十日止六個月，本公司授出 800,000 份購股權及並無註銷任何購股權。於結算日，本公司根據計劃尚有 24,180,000 份購股權尚未行使，約相當於本公司於該日期已發行股份的 3%。根據本公司現有資本架構，悉數行使餘下的購股權將導致本公司額外發行 24,180,000 股普通股以及產生港幣 2,418,000 元額外股本和港幣 13,200,400 元股份溢價（未計股份發行開支）。

13. SHARE OPTION SCHEME (CONTINUED)

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	5/5/2005	10/1/2007	4/4/2007	10/7/2007	1/2/2008
Dividend yield (%)	股息率 (%)	6.94	7.53	8.92	6.05	5.87	5.14	5.95
Expected volatility (%)	預期波幅 (%)	47	46	47	43	43	43	43
Historical volatility (%)	過往波幅 (%)	47	46	47	43	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	2.20
Expected life of option (year)	購股權預計年期 (年)	6	6	4	6	6	6	6

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.

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

14. RESERVES

The amounts of the reserves and the movements therein for the six months periods are presented in the interim condensed consolidated statement of changes in equity on page 20 of the interim financial information.

(i) Contributed surplus

The contribution 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, over the nominal value of the Company's shares issued in exchange therefor.

13. 購股權計劃 (續)

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。預期波副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。

並無其他授予購股權的特色列入公允值的計算當中。

14. 儲備

於六個月期間的儲備金額及變動已載於中期財務資料第20頁的簡明合併權益變動表內。

(i) 繳入盈餘

本集團的繳入盈餘指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。

14. RESERVES (CONTINUED)

(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 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.

15. COMMITMENTS

(a) Operating lease commitments

At 30 June 2008, the Group had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

Within one year	一年內
After one year but no more than five years	一年後至不多於五年
More than five years	五年以上

(b) Capital commitments

Capital expenditure for the acquisition of plant and machinery:

Contracted, but not provided for	已訂約，但未作撥備
Authorised, but not contracted for	已授權，但未訂約

14. 儲備(續)

(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。

15. 承擔

(a) 營業租賃承擔

截至二零零八年六月三十日，本集團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：

30 June 2008 二零零八年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2007 二零零七年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
1,858	2,143
1,210	1,727
55	—
3,123	3,870

(b) 資本承擔

購置廠房及機器之資本性開支：

53,066	11,872
69,994	91,987
123,060	103,859

16. RELATED PARTY TRANSACTIONS

During the period, the Group had the following material related party transactions:

Compensation of key management personnel of the Group:

Short-term employee benefits	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

16. 關連方交易

本期間，本集團有以下重大關連方交易：

本集團主要管理人員酬金：

For the six months ended 30 June 截至六月三十日止六個月	
2008 二零零八年 (Unaudited) (未經審核) RMB'000 人民幣千元	2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元
1,848	2,040
37	42
95	112
1,980	2,194

17. 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

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 8% of the Group's sales for the 6 months ended 30 June 2008 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.

17. 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

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。截至二零零八年六月三十日止六個月，本集團約8%之銷售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。

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

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.

17. 金融風險管理目標及對策(續)

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。

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。

17. 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 for the six months ended 30 June 2008.

18. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim report was approved and authorised for issue by the board of directors on 21 August 2008

17. 金融風險管理目標及對策(續)

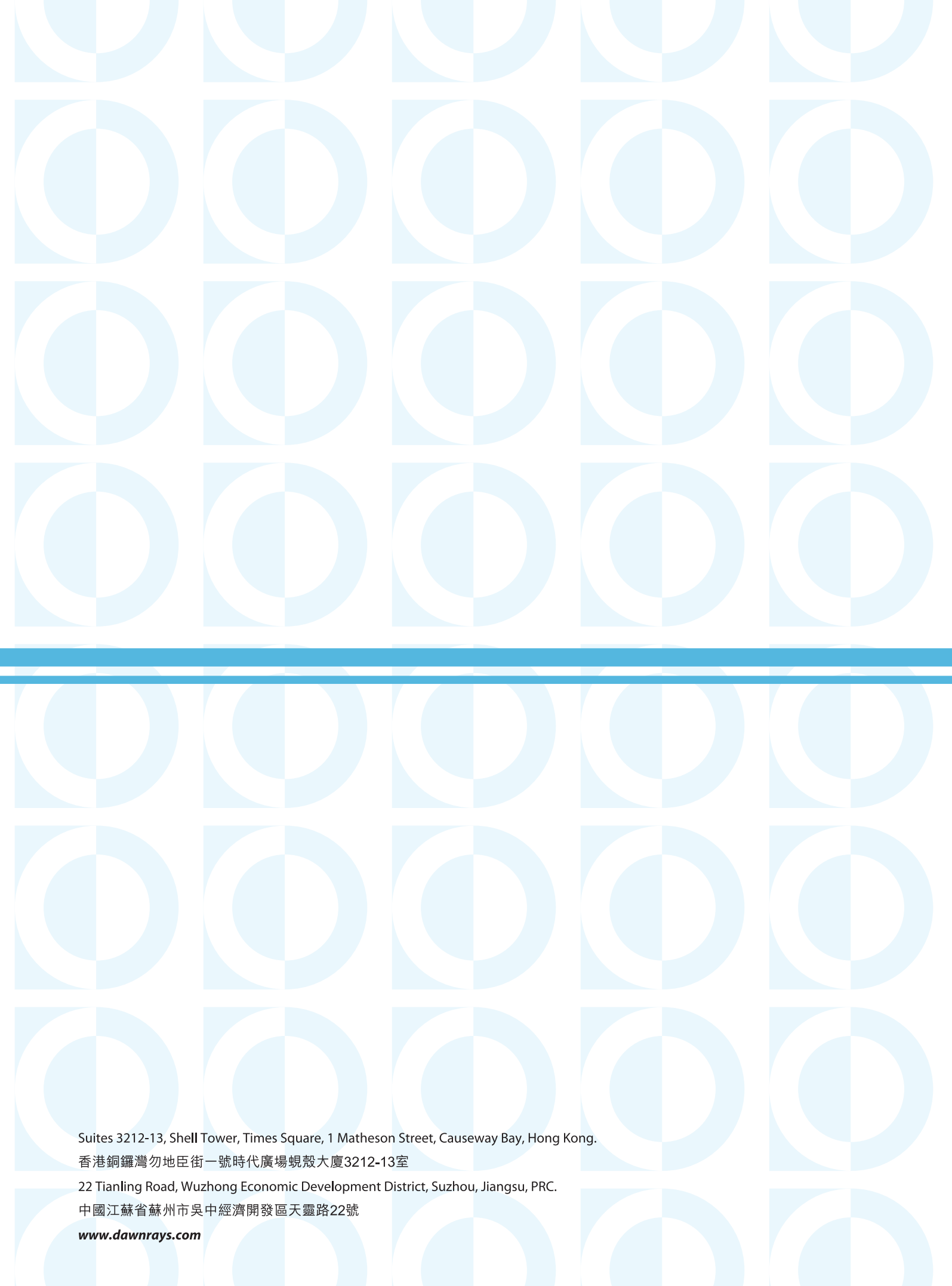
資本管理

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盡量提升股東價值。

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。於截至二零零八年六月三十日止六個月期間，有關目標、政策及過程並無作出任何變動。

18. 中期財務報告的批准

本中期報告書已於二零零八年八月二十一日獲董事會批准及授權發行。



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

香港銅鑼灣勿地臣街一號時代廣場蜆殼大廈3212-13室

22 Tianling Road, Wuzhong Economic Development District, Suzhou, Jiangsu, PRC.

中國江蘇省蘇州市吳中經濟開發區天靈路22號

www.dawnrays.com