



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

2010 中期報告  
INTERIM REPORT

Corporate Information 公司資料	2
Group Structure 本集團架構	3
Financial Highlights 財務摘要	4
Chairman's Statement 主席報告	5
Management Discussion and Analysis 管理層討論及分析	9
Other Information 其他資料	15
Condensed Consolidated Income Statement 簡明綜合收益表	23
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	24
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	25
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	27
Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表	28
Notes to the Interim Financial Information 中期財務資料附註	29

#### 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

##### CHIEF EXECUTIVE OFFICER

Mr. GAO Yi

##### AUDITORS

Ernst & Young

Certified Public Accountants, Hong Kong

##### 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

HSBC Trustee (Cayman) Limited

P.O. Box 484, HSBC House, 68 West Bay Road,

Grand Cayman, KY1-1106, Cayman Islands

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

Tricor Abacus Limited

26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong

##### SHAREHOLDER'S CALENDAR

###### Closure of Register of Members

Monday, 13 September 2010 to Tuesday, 14 September 2010 (both days inclusive)

###### Interim Dividend, payable

HK\$0.02 per share, payable on or about 21 September 2010

#### 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

##### 總裁

高毅先生

##### 核數師

安永會計師事務所

執業會計師，香港

##### 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

HSBC Trustee (Cayman) Limited

P.O. Box 484, HSBC House, 68 West Bay Road,

Grand Cayman, KY1-1106, Cayman Islands.

##### 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

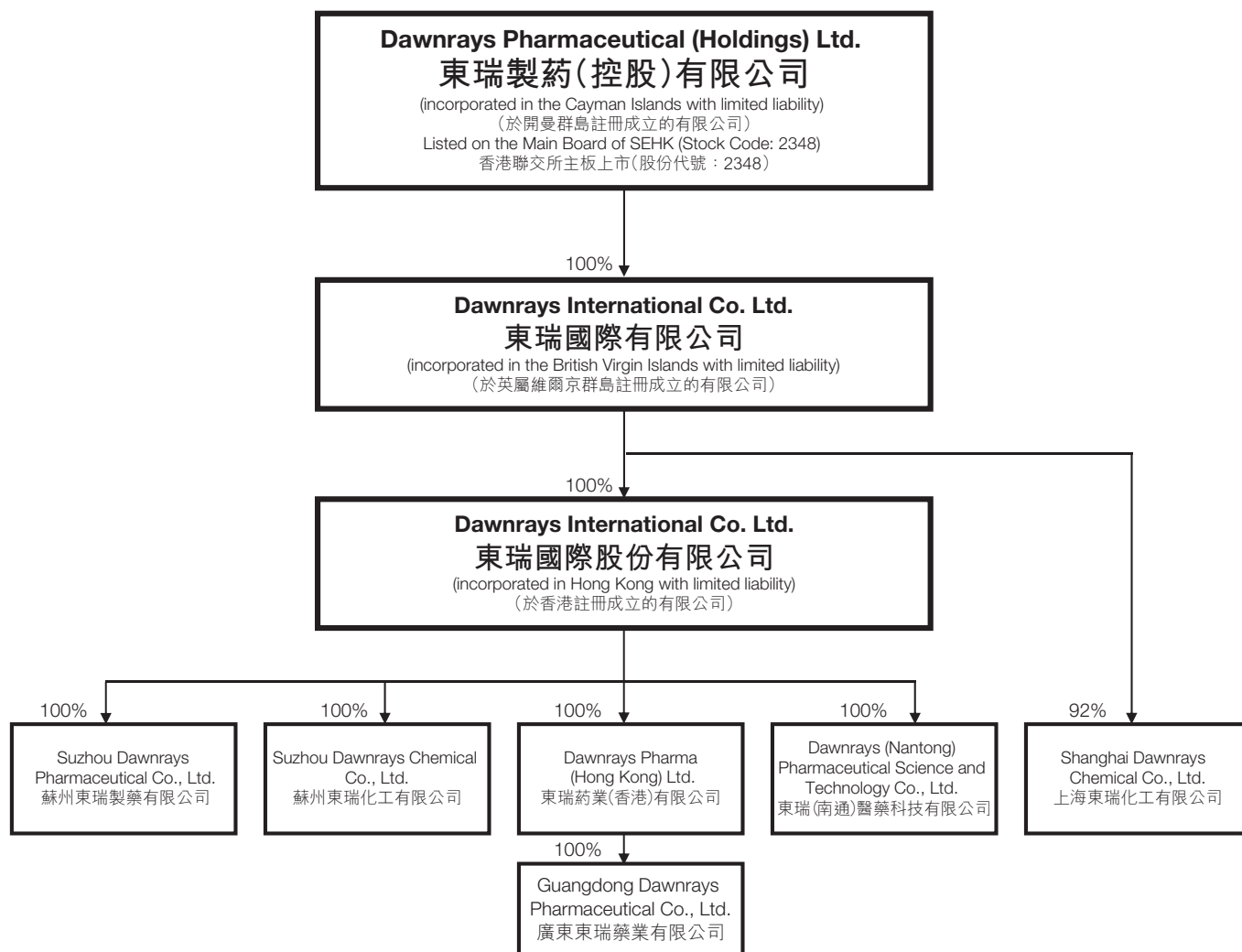
##### 股東時間表

###### 暫停辦理股份過戶登記

二零一零年九月十三日 (星期一) 至二零一零年九月十四日 (星期二) (首尾兩天包括在內)

###### 中期股息 (待派發)

每股港幣 0.02 元，約於二零一零年九月二十一日派發



## 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 2010 (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」)截至二零一零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

	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	Change 變動 %
Revenue 收入	626,357	495,550	26.4
Gross Profit 毛利	199,736	142,541	40.1
Profit before tax 除稅前溢利	107,786	66,195	62.8
Profit for the period attributable to equity holders of the parent 母公司權益持有人應佔本期間溢利	87,500	51,117	71.2
Earnings per share – basic (RMB) 每股盈利 – 基本 (人民幣)	0.1106	0.0656	68.6
Interim dividend per share (HK\$) 每股中期股息 (港幣)	0.020	0.018	11.1

During the first half of 2010, the economy of developed countries showed some gradual financial improvement, but the future financial prospect for these countries is still very uncertain. The recovery from the global financial crisis is driven by the strong economic growth of Asia, especially China. The Central Government of China has been enhancing the medical care system, social security coverage, and transportation infrastructure development in order to encourage domestic consumption in general and to speed up the economic development of Western and Central regions in particular. Thus, currently, the influence generated by China's economic growth on the global economic system as a whole is much more important than any other period in the country's history.

Most industries in China have shown growth in earnings in the first half of 2010. 37 out of 39 main industries have generated more industry-level profit in the first half of 2010 than they did in the first half of 2009. Furthermore, there are 14 industries in which the industry-level profit of the first half of 2010 increased over 50% compared with the earnings of the first half of 2009. Among these 14 industries, 10 of which recorded an increase of over 100% in its industry-level profit of the first half of 2010 when compared with the first half of 2009. Aggregately, the regional middle-sized and large-sized firms in most provinces of China generated RMB 1,611.1 billion during the first half of 2010, which is a 72% increase compared with the aggregated profit for these firms during the first half of 2009, according to the information from the Ministry of Industry and Information Technology of the People's Republic of China.

Specifically, from January to May of 2010, the pharmaceutical industry in China aggregately generated profit of RMB 47 billion, which is a 37% increase compared with the aggregated profit during the first half of 2009, according to the information from the Ministry of Industry and Information Technology of the People's Republic of China.

Granted, the power generated by the strong economic growth of emerging markets is not the only driver of global economic development for the coming 10 years. However, the power of emerging markets may be demonstrated as the most influential force in the rebalancing of the global economy. The forthcoming 10 years could be the historical turning point in which the global economy may achieve structural rebalance. We believe that this structural rebalance will help emerging markets, as new economic systems, to achieve the largest percentage in the global GDP than they have ever realized since the first industrial revolution.

在二零一零年上半年，發達國家的經濟緩慢增長，但前景極不明朗。這次全球經濟復蘇，是由亞洲，尤其是中國經濟強勁增長帶動。隨著中國加強醫保和社保建設，投入基礎設施建設以提升中西部地區發展速度，鼓勵國內消費，中國在維持全球經濟發展所發揮的作用，比歷史上的任何時候都更為主要。

中國絕大多數行業在二零一零年上半年實現了利潤增長。其中，39個工業大類行業中37個行業利潤同比實現增長；14個行業利潤增速超過50%，其中10個行業利潤增長超過100%。中國大部分地區規模以上工業企業實現利潤人民幣16,111億元，同比增長72%（資料來源：中華人民共和國工業和信息化部）。

具體而言，在二零一零年上半年一至五月，中國醫藥行業實現利潤人民幣470億元，同比增長37%（資料來源：中華人民共和國工業和信息化部）。

當然，新興市場增長所產生的活力並不是重塑未來十年全球經濟的唯一主要動力，但它可能被證明是能對全球經濟平衡產生最為深刻影響的一種力量。未來十年將成為全球經濟結構進行根本性重新平衡的歷史轉捩點，我們認為這次重新平衡將可能使新興市場的經濟體系在未來全球GDP中所佔的份額達到其在第一次工業革命以來的最高點。

We predict that the economic systems of emerging markets will transform from playing insignificant roles (i.e., as in the setting where economic growth largely depends on the macro-performance of developed economies) to becoming sustainable economic forces by themselves. From low-cost products and service providers (e.g., OEM plants) to knowledge-intensive, technology-intensive and capital-intensive enterprises, emerging markets will undergo a historical transformation. It is logical to assume that more innovation-intensive and capital-intensive firms will be formed in emerging markets, including China. Therefore, this global economic rebalancing will force pharmaceutical firms, including but not limited to multinational enterprises, to revise their strategic priorities. Multinational enterprises will no longer have the privilege of treating China as a second-tier market. China is becoming the center of pharmaceutical consumption, manufacturing, clinical trials, and innovation. The global leadership of pharmaceutical multinational enterprises will increasingly depend on their success in the emerging markets because these countries will be the basis of future growth.

As we indicated in our 2009 interim report, the Group must insist on managing a conservative investment principle and transparent corporate governance mechanism. We always consider product quality as the first priority, thus creating value for all the stakeholders including hospitals, doctors and patients. We also take our responsibilities seriously and carefully to manage the environmental impact of our pharmaceutical plants. We do not only create financial prosperity for all our shareholders but also deliver societal and economic values to all the stakeholders and local governments.

As part of our strategic development, the principle and the capability of the Group must adapt to and even predict the likelihood of changes in technology, the trends of the healthcare market and the adjustments in governmental policies. Changes have happened quite frequently during recent years. In fact, starting in the second half of 2009, the pharmaceutical industry in China as a whole has been benefited from the healthcare policies formulated by the Central Government. All the products listed in the "National Essential Drug List", including bulk medicines, chemical finished preparation and even traditional Chinese medicine, showed a strong increase in sales, a trend that continued as of May 2010.

我們預期在未來十年，新興市場經濟體將從次要的配套角色（依賴西方經濟的作用）迅速發展為依靠自己就可以穩健發展的經濟實力。它們將逐步轉換低成本商品和服務供應商－世界代工工廠(OEM)－的角色。包括中國在內的新興市場會大量湧現集中供應資本、人才和創新的企業。所以，對於包括傳統製藥跨國公司在內的所有企業而言，這一大規模的全球經濟平衡將製藥企業對戰略重點進行重大調整。跨國公司再也不能將中國市場視為次要的市場。中國市場將越來越成為藥品消費、生產、臨床研究、以及創新的中心。跨國製藥企業在全球的領導地位將越來越多地依賴於他們在新興市場的成功，因為這是增長的根本動力所在。

我們曾在二零零九年的中期報告中表示，為了穩固業務和保證長遠的成功發展，本集團的管理必須堅持穩健的投資原則和完善企業管治機制。我們始終如一的關注藥品質量，為醫院、醫生和病人社群(Stakeholders)創造價值，並且以負責任的態度管理我們的製藥工業對於環境的影響。我們不僅僅為股東創造財富，也為所有業務相關社群和當地政府帶來社會和經濟價值。

本集團的價值觀、能力和發展策略，必須適應並且預測科技、醫藥市場和國家政策變動的可能性。這些變動近年來頻繁發生。事實上，自二零零九年下半年起，中國整個醫藥行業受惠於中央政府醫改政策的執行，尤其是列入《國家基本藥物目錄》的品種，不論是化學原料藥、化學藥製劑、中藥製劑均表現出大幅度增長的態勢，其增長勢頭一直保持到二零一零年五月份。

As we pointed out in the 2009 interim report, the implementation of the essential drug system and the launch of the supporting policies of the medical reform by the State fundamentally changed the distribution channels of the pharmaceutical market in China. Even though the change was designed to be incremental, the effects are very substantial and irreversible. Patients who live in rural regions and small towns as well as those in low-level income groups in cities would benefit from the national medical reform. Clearly, this medical reform highlights the fact that all Chinese will be benefit from the medical care system via small-sized district clinics in cities and rural locations.

Therefore, based on the business relationships between the Group and its stakeholders, we have incrementally established the strategic development and investment infrastructure of the Group in order to develop core principles and firm-level capabilities. First of all, for the antibiotic bulk medicine business, we continue to treat quality as the first priority when we make raw material procurement decisions. The vertical integrated process enables us to internally control all the steps of chemical manufacturing, not only in terms of the cost but also in terms of the quality. This manufacturing arrangement illustrates the outstanding quality management philosophy of our Group and also provides a concrete explanation for the high growth of our bulk medicine business. Second, for the system-specific medicine business, as a generic drug manufacturer, the competitive advantage is derived by quick production, process innovation and effective market penetration. A deep understanding of China's pharmaceutical market and product positioning capability enable the relatively high margin for the system-specific medicine business. Third, based upon the capital market in Hong Kong, our Group incrementally establishes strategic development and business development infrastructures. Because the pharmaceutical market in China is highly likely to be a super-competitive market for high-end generic products, we actively seek and develop strategic partnerships with technology-intensive firms, especially the ones located overseas. We aim to strengthen the positive synergy between the capital market in Hong Kong and the product marketplace in China.

For the second half of 2010, within the system-specific medicine business, the Group plans to effectively enhance the market share for cardiovascular drugs. The Group will increase the promotion coverage for the product "An Nei Xi" in order to generate a stronger impact. Within the powder for injection business, we will integrate the distribution channels and penetrate the value chain of large-sized distributors. Regarding bulk medicine business, it is anticipated that in the second half of 2010, the price may fluctuate severely. We will act with prudence to revise our sales policy timely and exert our effort to maintain the market share.

正如我們在二零零九年中期報告指出，醫改政策促使醫藥流通管道發生根本的轉變，雖然轉變是漸進的，但表現是非常顯著和不可逆轉的。醫改惠及的主要人群為廣大農村、鄉鎮和城市居民等低收入階層。通過發展社區醫療和新型農村合作醫療使所有國民均可享受醫療保障是本次醫改最大的亮點。

故此，我們逐步建設本集團策略發展和投資架構，就集團本身、業務營運和相關社群的關係，制定價值觀。我們逐步提升能力。首先：在抗生素原料藥業務方面，基於垂直一體化生產架構，本集團建立企業內控標準選擇性採購。其後的所有化學合成部分由本集團完成，其目的不僅僅是對成本的控制，最重要的是對產品的全方位質量控制。這種安排充分體現本集團對原料藥超前的質量管理意識，也是本集團原料藥被社會高度認可的最具體體現。其次：在專科用藥方面，作為仿製藥企業，本集團核心能力為快速仿製，技術創新，和有效的市場拓展。本集團的市場洞察能力和基於未來社會需求的品種選擇能力，保證了我們所選的專科品種的毛利率相對較高。第三：本集團依託香港資本市場，逐步建立戰略合作和資本運作的工作架構。由於中國市場會在近幾年內成為高端仿製藥激烈競爭的市場，我們積極尋求並發展和海外技術實力比較強的藥廠的合作關係，進一步實現香港資本市場和中國藥品市場的良性互動。

在二零一零年下半年，在系統專科用藥業務方面，本集團將進一步有效擴大心血管領域的市場佔有率，「安內喜」將擴大全國佈點，進一步強勢推出。在粉針劑業務方面，要整合已有市場的渠道拓展，搶先進入大型醫藥公司的配送渠道。在原料藥方面，預期二零一零年下半年的價格或出現較大幅波動，我們將保持審慎的態度隨時調整銷售策略，竭力維持市場份額。



#### PROSPECTS

As the driver of the economic growth switches from developed economies to emerging markets, firms should focus on innovation in order to achieve success in low-cost and high-growth countries. The pharmaceutical market in China is no longer in the game of low-cost competition. Technological innovation will quickly become the new competitive landscape.

Today, the stronger economic power of China, especially the initialized medical care system that is designed to cover 1.3 billion citizens, will develop and upgrade the entire pharmaceutical industry and many of its firms. The high-end generic drug business will become a hyper-competitive business for all players. "The Eleventh Five-Year Plan for National Economic and Social Development of the People's Republic of China" emphasizes technology innovation and focuses on structural adjustments in order to guide the growth of the healthcare economy in China. We have good reasons to believe that the National Development and Reform Commission (NDRC) formulated such a plan in order to enhance the global competitiveness of domestic firms by strengthening the sustainability of the pharmaceutical sector. Hence, there are three points worth mentioning: (1) the Group will enhance the innovation capability and develop a few world-class professional research and development projects and an internationally accredited Good Manufacturing Practice ("GMP") standard; (2) the Group will strengthen international communications with firms and domestic participations with industrial associations, and hopefully the outcome will be an information platform of new products; and (3) within the business environment of the national medical reform, the Group will optimize the product portfolio and marketing penetration strategies in each region of China.

#### INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.02 per share for the year ending 31 December 2010, approximately amounting to a total sum of HK\$15,869,000 (approximately equivalent to RMB13,877,000).

Finally, the Board would like to take this opportunity to express appreciation and gratitude to its shareholders for their support and to our dedicated colleagues for their contributions and outstanding service.

#### Li Kei Ling

Chairman

Hong Kong, 27 August 2010

#### 展望未來

隨著經濟增長的中心從發達國家轉移到發展中國家，全球企業應致力於創新，以便在低成本、高增長國家取得成功。我們不認為作為中國醫藥市場只是成本競爭的場所，技術創新將迅速成為新的競爭前沿。

在中國綜合國力不斷加強的今天，特別是已經啟動覆蓋 13 億人口的基本醫療衛生體系，將促使祖國民族醫藥產業的發展和升級。高端仿製藥將成為競爭極為激烈的業務。《中華人民共和國國民經濟和社會發展第十一個五年規劃綱要》強調積極推動醫藥行業科技進步和自主創新，突出結構調整，轉變醫藥經濟的增長方式。我們認為中國國家發展和改革委員會制定國策的目的在於提高中國醫藥產業的國際競爭力，促進醫藥行業的持續穩定發展。所以，長遠來看，以下三點至關重要。1：本集團要提高持續創新能力，建設一批具有國際先進水平的專業化的研究開發項目，以及與國際標準接軌的質量管理規範（「GMP」）生產標準。2：我們要加強國際製藥企業間的合作與國內醫藥行業協會的交流，建立國際水準的新產品資訊科技平台。3：在中國醫療流通體制環節改革的大環境下，在全國範圍內不同地區同時優化主要產品的結構和營銷佈局。

#### 中期股息

董事會決議宣派截至二零一零年十二月三十一日止年度中期股息每股港幣 0.02 元，合共約港幣 15,869,000 元（約相當於人民幣 13,877,000 元）。

最後，董事會藉此機會感謝股東的支持，並向為本集團作出貢獻的員工致以衷心謝意。

#### 李其玲

主席

香港，二零一零年八月二十七日

## BUSINESS REVIEW

**1) PRODUCTION & SALES OPERATION**

For the six months ended 30 June 2010, the production and sales volume of bulk medicines of the Group increased by 24.3% and 33.5% respectively as compared to the corresponding period of 2009. The production and sales volume of powder for injections decreased by 14.8% and 15.8% respectively as compared to the corresponding period of last year. The production and sales volume of system specific medicines in solid-dosage-forms increased by 19.3% and 26.7% respectively as compared to the corresponding period of last year. The Group continues to prompt export sales. Currently marketing authorisation of 29 products have been successfully approved and registered in 5 countries including Russia, India and also in Hong Kong.

**2) DEVELOPMENT OF NEW PRODUCTS**

In the first half of 2010, the Group applied to the State and/or Provincial Food and Drug Administration to register a total 15 products for 17 registrations. Accordingly, the Group received 1 production permit, 10 supplemental production permits and 1 clinical permit. There are on-going clinical trials for 4 products and another 2 products have completed clinical trials.

**3) HONOURABLE RECOGNITION DURING FIRST HALF OF 2010**

In the first half of 2010, two products, namely cefoperazone sodium for injection and its bulk medicine and cefoperazone sodium and sulbactam sodium for injection and its bulk medicine have been recognized as the new technology products of Jiangsu Province by Jiangsu Province Sci-tech Department.

**4) CONSTRUCTION PROJECTS FOR THE EXPANSION OF PRODUCTION FACILITIES**

- In respect of Phase I of the project in Hedong Industrial Park of Suzhou Dawnrays Pharmaceutical Co., Ltd., civil works of a non-cephalosporin bulk medicine workshop were completed. The design for the utility works for this project was also completed and the design works for the non-cephalosporin solid-dosage-forms workshop has commenced.
- In respect of the Phase II project of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., the equipment installation works of the non-cephalosporin intermediates has commenced.

## 業務回顧

**1) 生產銷售情況**

截止二零一零年六月三十日止六個月期間，本集團的原料藥生產及銷售量較去年同期增加了24.3%及33.5%。同時，粉針劑生產及銷售量較去年同期減少了14.8%及15.8%。在專科藥上，固型劑的生產及銷售量較去年同期增長了19.3%及26.7%。本集團持續重視海外市場的拓展，有29個產品的銷售許可可在俄羅斯、印度等5個國家及香港成功獲批及註冊。

**2) 新產品情況**

二零一零年上半年共有15個品種向國家和/或省食品藥品監督管理局進行了註冊申報，申報註冊事項17項；獲生產批件1個；獲補充批件10個；獲臨床批件1個；共有4個品種正在進行臨床試驗中，另有2個品種的臨床試驗已經完成。

**3) 二零一零年上半年獲得之榮譽**

本集團產品注射用頭孢哌酮鈉及其原料、注射用頭孢哌酮鈉舒巴坦鈉及其原料於二零一零年被江蘇省科技廳認定為江蘇省高新技術產品。

**4) 生產設施項目建設**

- 蘇州東瑞製藥有限公司河東廠區一期工程：非頭孢原料藥車間的土建工作基本完成；並完成配套公用工程的設計；非頭孢的固體制劑車間正在進行方案設計。
- 東瑞(南通)醫藥科技有限公司二期項目非頭孢中間體車間進入設備安裝階段。

- The construction for the workshop for oral cephalosporin intermediates in Suzhou Dawnrays Chemical Co., Ltd. has entered the environmental impact assessment stage.

#### 5) ENVIRONMENTAL PROTECTION MEASURES

The Group do emphasize on technological innovation and environmental friendly production. We work to enhance the environmental protection capability and improve the pollution control facilities.

#### 6) VOLUNTARY WINDING-UP OF SHANGHAI DAWNRAYS CHEMICAL CO., LTD.

Further to the disclosure in 2009 Annual Report, in February 2010, the Shanghai Jiading District People's Government officially approved the resolution to voluntary liquidate and dissolve Shanghai Dawnrays Chemical Co., Ltd. and its deregistration for customs and taxation issues were completed in the middle of August 2010.

As Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. commenced production in 2009, the winding-up of Shanghai Dawnrays Chemical Co., Ltd. will not jeopardize the productivity and operation of the Group.

## FINANCIAL REVIEW

### SALES AND GROSS PROFIT

For the six months ended 30 June 2010, the Group has recorded the turnover of approximately RMB626,357,000, equivalent to an increase of 26.4% compared with the corresponding period of last year. The growth was mainly due to two main reasons. First, the production capacity of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. was incrementally utilized in order to support the bulk medicine business. The sales volume of bulk medicines increased by 33.5% compared with the corresponding period of last year. Second, there was an increase in the sales volume for the solid-dosage-form medicines (most are system specific medicines) by 26.7%.

- 蘇州東瑞化工有限公司的口服頭孢中間體車間工程項目已進入環境影響評價階段。

#### 5) 環保治理措施

本集團重視治污技術創新和清潔生產，逐年提高環境管理水平、完善污染治理設施。

#### 6) 自願性結束上海東瑞化工有限公司

根據二零零九年年報相關披露，上海東瑞化工有限公司終止經營進行清算解散的決議於二零一零年二月經上海市嘉定區人民政府批准，已於二零一零年八月中旬完成海關、稅務的註銷工作。

基於東瑞(南通)醫藥科技有限公司已於二零零九年正式投產，結束上海東瑞化工有限公司不會影響本集團的產能及營運。

## 財務回顧

### 銷售及毛利

截至二零一零年六月三十日止六個月，本集團營業額約人民幣626,357,000元，比去年同期增長26.4%，主要是二零一零年剛投產的東瑞(南通)醫藥科技有限公司的生產能力進一步釋放，使原料藥的銷售數量較去年同期增長33.5%和固型劑(主要是系統專科用藥)的銷售數量較去年同期增長26.7%所致。

Gross profit was approximately RMB199,736,000, equivalent to an increase of 40.1% compared with the corresponding period of last year. The gross profit margin was increased from 28.8% to 31.9% as compared with the corresponding period of last year. The main reasons for the increase in gross profit margin were the increase in average sales price of bulk medicines as compared with corresponding period of last year, along with the Group's effort to optimize the product portfolio. The sales of solid-dosage-form (most are system specific medicines) accounted for a total turnover increased from 15.5% to 17.3% as compared with corresponding period of last year and the sales of relatively higher gross profit margin products in the powder for injections were increased.

毛利額約人民幣199,736,000元，比去年同期增長40.1%，毛利率由去年同期的28.8%上升至今年同期的31.9%。毛利率上升的主要原因是原料藥的平均銷售價格較去年同期上升，同時進一步優化產品結構，固型劑（主要是系統專科用藥）的銷售額比重由去年同期的15.5%繼續上升至今年同期的17.3%以及增加相對高毛利的粉針製劑產品的銷售。

### Table of Turnover Analysis

### 營業額分析－按產品劃分

Product	產品	Turnover (RMB'000)			Sales Breakdown (%)		
		2010 二零一零年	2009 二零零九年	Changes 變動	2010 二零一零年	2009 二零零九年	Changes 變動
Bulk Medicines	原料藥	393,399	284,913	108,486	62.81	57.49	5.32
Powder for Injections	粉針劑	124,416	133,973	-9,557	19.86	27.04	-7.18
Solid-Dosage-Forms	固型劑	108,542	76,664	31,878	17.33	15.47	1.86
Overall	總體	626,357	495,550	130,807	100.00	100.00	0.00

### EXPENSES

During the period, the total expenses incurred were approximately RMB97,495,000, equivalent to a rise of 26.0% compared with the corresponding period of last year. The total expenses as a percentage of turnover was 15.6% (2009: 15.6%).

### 費用

本期間，費用支出約共人民幣97,495,000元，較去年同期增加26.0%。佔營業額的比例為15.6%（二零零九年：15.6%）。

### PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

For the period ended 30 June 2010, profit attributable to equity holders of the parent amounted to approximately RMB87,500,000, posted a rise of 71.2% compared with the corresponding period of last year. The reasons for such a substantial increase in profit was mainly due to the utilization of the production capacity of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd and the optimization of our Group's product portfolio, especially for the system specific medicine business.

### 母公司權益持有人應佔溢利

截至二零一零年六月三十日止期間，母公司權益持有人應佔溢利約人民幣87,500,000元，比去年同期增加71.2%。利潤增加主要是受益於東瑞(南通)醫藥科學有限公司的產能釋放和本集團整體產品結構（特別是系統專科用藥業務）的進一步優化。

**ANALYSIS ON THE RETURN ON ASSETS**

As at 30 June 2010, net assets attributable to equity holders of the parents were approximately RMB767,960,000. Net return on net assets, which is defined as the profit attributable to equity holders of the parent divided by net assets attributable to equity holders of the parent, was 11.4% (2009: 7.8%). The current ratio and quick ratio were 1.78 and 1.36 respectively. Turnover days for trade and notes receivables were approximately 123 days. Turnover days for inventory were approximately 82 days.

**LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2010, the Group held cash and cash equivalents of approximately RMB158,091,000 (as at 31 December 2009: RMB86,450,000). During the period, the net cash flows from operating activities was approximately RMB132,169,000 (2009: RMB64,780,000). Net cash flows used in investing activities was approximately RMB63,354,000 (2009: RMB20,273,000). Net cash flows from financing activities was approximately RMB2,749,000 (2009: RMB-25,751,000).

As at 30 June 2010, the Group has HK\$45,000,000 (as at 31 December 2009: HK\$6,000,000) floating rate interest-bearing bank loans, of which HK\$42,000,000 were repayable within a year with the remaining balance repayable with a period of two to three years. As at 30 June 2010, the debt ratio (defined as interest-bearing bank loan over total assets) of the Group was 3.1% (as at 31 December 2009: 0.9%).

As at 30 June 2010, the Group's bank loans are guaranteed by corporate guarantee of the Company and some of its subsidiaries. Besides, a subsidiary of the Group undertook to maintain fixed deposits of not less than RMB35,200,000 at the bank's wholly-owned subsidiary located in Shanghai, China throughout the loan period of HK\$40,000,000 bank loans. The fixed deposit carries interest at market rate. Concurrent with the loans, the Group entered into an interest rate swap contract with a notional amount of HK\$40,000,000 with the bank. The intended effect of which is to enable the Group to convert its interest rate exposure under its floating rate bank loans to a fixed annual interest rate.

As at 30 June 2010, the Group had aggregate bank facilities of approximately RMB770,000,000 (as at 31 December 2009: RMB700,568,000).

**資產盈利能力分析**

於二零一零年六月三十日，母公司權益持有人應佔淨資產約人民幣767,960,000元，淨資產收益率(界定為母公司權益持有人應佔溢利除以母公司權益持有人應佔淨資產)為11.4%(二零零九年：7.8%)。流動比率 and 速動比率分別為1.78和1.36，應收帳款(含應收票據)周轉期約123日，存貨周轉期約82日。

**流動資金及財政資源**

於二零一零年六月三十日，本集團持有現金及現金等價物約人民幣158,091,000元(於二零零九年十二月三十一日：人民幣86,450,000元)。本期間，從經營業務流入的現金流量淨額約人民幣132,169,000元(二零零九年：人民幣64,780,000元)；使用在投資活動的現金流出淨額約人民幣63,354,000元(二零零九年：人民幣20,273,000元)；從融資活動流入的現金流量淨額約人民幣2,749,000元(二零零九年：人民幣-25,751,000元)。

於二零一零年六月三十日，本集團共有浮動利息銀行貸款港幣45,000,000元(於二零零九年十二月三十一日：港幣6,000,000元)；其中港幣42,000,000元須於一年內償還，其餘則須於兩至三年內償還。於二零一零年六月三十日，本集團之負債比率(界定為計息銀行貸款除以資產總額)為3.1%(於二零零九年十二月三十一日：0.9%)。

於二零一零年六月三十日，本集團之銀行貸款由本公司及部份附屬公司作公司擔保。其中港幣40,000,000元銀行貸款由本集團附屬公司承諾於貸款期間維持銀行定期存款人民幣35,200,000元於該銀行在中國上海的全資附屬公司，該筆定存按市場年利率計息。同時本集團與銀行訂立一張名義總額港幣40,000,000元的利息掉期合約，其目的是使本集團能把浮動利息借貸可能面對的利率風險轉為固定年利率的效果。

於二零一零年六月三十日，本集團的銀行信貸總額約人民幣770,000,000元(於二零零九年十二月三十一日：人民幣700,568,000元)。

As at 30 June 2010, the Group's capital commitments amounted to approximately RMB311,836,000 (as at 31 December 2009: RMB154,410,000), which mainly derived for the construction of new workshops for non-cephalosporin bulk medicines and solid-dosage-forms preparation of Suzhou Dawnrays Pharmaceutical Co. Ltd., the construction works for the cardiovascular chemical intermediates workshop of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd., and the construction works for oral cephalosporin intermediates workshop in Suzhou Dawnrays Chemical Co., Ltd. The Group has sufficient financial and internal resources to bear the capital expenditure.

Save as aforesaid disclosure 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 period.

#### CHARGES ON ASSETS

As at 30 June 2010, the Group had no asset being pledged to banks to obtain credit facilities (as at 31 December 2009: Nil).

#### FOREIGN EXCHANGE AND TREASURY POLICIES

As the Group's substantial business activities, assets and liabilities are denominated 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 or interest rate (if any) only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

#### STAFF AND REMUNERATION POLICY

As at 30 June 2010, the Group employed approximately 1,674 employees and the total remuneration was approximately RMB43,311,000 (2009: RMB40,526,000). The Group believes human resources are the most valuable assets and truly understands the importance of attracting and retaining 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 schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

於二零一零年六月三十日，本集團的資本開支承擔約人民幣311,836,000元（於二零零九年十二月三十一日：人民幣154,410,000元），主要涉及蘇州東瑞製藥有限公司的非頭孢原料藥車間及其固體製劑車間項目；東瑞（南通）醫藥科技有限公司的心血管原料中間體車間建設；蘇州東瑞化工有限公司的口頭頭孢中間體車間的建設項目等方面。本集團有充足的財政資源，內部資源足以支付其資本開支。

本期間，除上述披露及投資附屬公司外，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。

#### 資產抵押

於二零一零年六月三十日，本集團無任何資產抵押予銀行，以取得信貸額度（於二零零九年十二月三十一日：無）。

#### 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或利率風險（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及利率狀況，並於有需要時以外匯遠期合約對沖外匯風險或利率掉期合約對沖利率風險。

#### 僱員及薪酬政策

於二零一零年六月三十日，本集團約有1,674名僱員，本期間員工費用總額約人民幣43,311,000元（二零零九年：人民幣40,526,000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準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。

#### CONTINGENT LIABILITIES

As at 30 June 2010, the Group had no material contingent liabilities (as at 31 December 2009: 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.

#### SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services. There is one reportable operating segment: the manufacture and sale of pharmaceutical products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation and performance assessment.

#### 或有負債

於二零一零年六月三十日，本集團並無重大或有負債（於二零零九年十二月三十一日：無）。

#### 未來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。

#### 分類資料

本集團將業務單位按其產品及服務劃分，以方便管理。本集團有一個可報告分類：製造及銷售醫藥產品。管理層整體監察業務單位的經營業績，以作出資源分配及表現評估之決策。

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

As at 30 June 2010, to the best knowledge, information and belief of the Company after making reasonable enquiry, the interests and short positions of the Directors and Chief Executive of the Company in the shares or underlying shares or debentures of the Company or any of 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:

## 董事及總裁於股份及相關股份的權益及淡倉

於二零一零年六月三十日，經本公司作出一切合理查詢後所知、所得資料及所信，本公司董事及總裁於本公司或其任何相聯法團（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：

Name	Notes	Number of ordinary shares held, capacity and nature of interest			Through controlled corporation	Total	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	持有普通股的數目、身份及權益性質			
名稱	附註			通過控制 公司持有	總數		
<b>Directors</b>							
<b>董事</b>							
Ms. Li Kei Ling 李其玲女士	(a)	–	–	342,072,000	342,072,000	43.12	
Mr. Hung Yung Lai 熊融禮先生	(a)	–	–	342,072,000	342,072,000	43.12	
Mr. Li Tung Ming 李東明先生	(b)	9,976,000	–	56,000,000	65,976,000	8.32	
Mr. Gao Yi 高毅先生	(c)	2,808,000	1,392,000	–	4,200,000	0.53	
Mr. Leung Hong Man 梁康民先生	(d)	–	–	60,000,000	60,000,000	7.56	



**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
董事名稱	相聯法團名稱	與本公司的關係			
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維爾京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維爾京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) 2,808,000 shares of the Company are directly beneficially owned by Mr. Gao Yi and 1,392,000 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 15 to the interim financial information.
- (c) 2,808,000 股本公司股份由高毅先生直接實益擁有，1,392,000 股相關股份的權益為根據本公司購股權計劃授予彼の購股權，有關高毅先生購股權的詳情載列於中期財務資料附註 15。
- (d) 60,000,000 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) 60,000,000 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 2010, none of the Directors or Chief Executive of the Company had any interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be 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 15 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 15 to the interim financial information.

除上述者外，於二零一零年六月三十日，概無本公司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要求須知會本公司及聯交所的任何權益或淡倉。

## 董事購買股份或債券的權益

除於上述「董事及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15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15。

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

As at 30 June 2010, to the best knowledge, information and belief of the Company after making reasonable enquiry, the interests or short positions of the following persons, other than persons who were Directors or Chief Executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

## Long positions:

## 主要股東及其他人士於股份及相關股份的權益

於二零一零年六月三十日，經本公司作出一切合理查詢後所知、所得資料及所信，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，以下人士（本公司董事及總裁除外）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 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	通過控制公司	總數	
Fortune United Group Limited	(a)	342,072,000	–	–	342,072,000	43.12
Keysmart Enterprises Limited	(a)	–	–	342,072,000	342,072,000	43.12
Hunwick International Limited	(a)	–	–	342,072,000	342,072,000	43.12
Mdm. lu Pun 姚彬女士	(b)	–	342,072,000	–	342,072,000	43.12
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)	60,000,000	–	–	60,000,000	7.56
Mdm. Lo Mei Sai 羅美茜女士	(e)	–	60,000,000	–	60,000,000	7.56
Mr. Leung Yiu Sing 梁耀成先生	(d) & (f)	–	–	60,932,000	60,932,000	7.68
Mdm. Chu Shuet Fong 朱雪芳女士	(f) & (g)	–	60,000,000	932,000	60,932,000	7.68

## 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.

## 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。

- |  |   |
|--|---|
| <p>(c) The entire issued capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming, an Executive Director of the Company.</p> <p>(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.</p> <p>(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.</p> <p>(f) 932,000 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.</p> <p>(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.</p> | <p>(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。</p> <p>(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。</p> <p>(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。</p> <p>(f) 932,000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。</p> <p>(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。</p> |
|--|---|

Save as disclosed above, as at 30 June 2010, the Company had not been notified of any other persons (other than persons who were Directors or Chief Executive 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) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上文披露者外，於二零一零年六月三十日，並無其他人士知會本公司（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）於本公司股份或相關股份中，擁有記錄於本公司根據證券及期貨條例第336條存置的登記冊之權益或淡倉。

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

For the six months ended 30 June 2010, neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

## 購買、贖回或出售本公司上市證券

截至二零一零年六月三十日止六個月期間，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") 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 six months period ended 30 June 2010.

## 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，截至二零一零年六月三十日止六個月期間，董事一直遵守標準守則所規定的準則。

#### AUDIT COMMITTEE

For the six months ended 30 June 2010, the Company had 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. For reasons stated in section headed "Non-compliance with Rule 3.10(1) and Rule 3.21" below, the audit committee comprises of two Independent Non-executive Directors of the Company as at the date of this report. Mr. Choi Tat Ying, Jacky, an Independent Non-executive Director who has appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules, was appointed as the chairman of Audit Committee on 9 July 2010.

The unaudited interim condensed consolidated financial statements of the Company for the six months ended 30 June 2010 have been reviewed by the audit committee before recommending it to the Board for approval.

#### REMUNERATION COMMITTEE

The current members of the remuneration committee of the Company comprise of Ms. Li Kei Ling, Mr. Pan Xue Tian and Mr. Choi Tat Ying Jacky, with Ms. Li Kei Ling acting as the chairman of the remuneration committee.

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.

#### NOMINATION COMMITTEE

The current members of the nomination committee of the Company comprise of Ms. Li Kei Ling, Mr. Pan Xue Tian and Mr. Choi Tat Ying Jacky, with Ms. Li Kei Ling acting as the chairman of the nomination committee.

#### 審核委員會

截至二零一零年六月三十日止六個月期間，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。由於下述「未遵守第3.10(1)條及第3.21條規則」一節所披露的原因，於本報告日期，審核委員會由兩名獨立非執行董事組成。獨立非執行董事蔡達英先生具備上市規則第3.10(2)條所規定的適當專業資格及會計及相關的財務管理專長，彼於二零一零年七月九日被委任為審核委員會主席。

本公司截至二零一零年六月三十日止六個月的未經審核簡明綜合中期財務報表於提呈董事會批准前由審核委員會審閱。

#### 薪酬委員會

本公司薪酬委員會現有成員包括李其玲女士、潘學田先生及蔡達英先生，以李其玲女士為薪酬委員會主席。

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。

#### 提名委員會

本公司提名委員會現有成員包括李其玲女士、潘學田先生及蔡達英先生，以李其玲女士為提名委員會主席。

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 a strong and diverse Board.

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。

## CODE ON CORPORATE GOVERNANCE PRACTICES

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules during the six months period ended 30 June 2010. Non-compliance with the Code by the Company after 30 June 2010 as a result of the resignation of Mr. Sik Siu Kwan is disclosed in sections headed "Audit Committee" and "Non-compliance with Rule 3.10(1) and Rule 3.21" below.

## NON-COMPLIANCE WITH RULE 3.10(1) AND RULE 3.21

With effect from 9 July 2010, Mr. Sik Siu Kwan resigned as an Independent Non-executive Director, chairman of the Audit Committee, member of the Remuneration Committee and Nomination Committee. Subsequent to the resignation of Mr. Sik Siu Kwan, the Board comprises of seven Directors, of which four are Executive Directors, one is Non-executive Director and two are Independent Non-executive Directors and the audit committee of the Company comprises of Mr. Pan Xue Tian and Mr. Choi Tat Ying Jacky. Therefore, the total number of the Independent Non-executive Directors and member of Audit Committee of the Company have fallen below the minimum number as required under Rule 3.10(1) and 3.21 of the Listing Rules. The Company will endeavour to identify a suitable candidate to fill such vacancy to meet the requirements of Rules 3.10(1) and 3.21 of the Listing Rules within the time allowed under Rule 3.11 of the Listing Rules.

## 企業管治常規守則

就董事所知、所得資料及所信，截至二零一零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(「守則」)所載之守則規定。於二零一零年六月三十日後，因薛兆坤先生辭任致使本公司未能遵守守則已於「審核委員會」及「未遵守第3.10(1)條及第3.21條規則」中披露。

## 未遵守第3.10(1)條及第3.21條規則

自二零一零年七月九日起，薛兆坤先生辭任本公司獨立非執行董事、審核委員會主席、薪酬委員會及提名委員會成員。繼薛兆坤先生辭任後，董事會由七名董事組成，其中四名為執行董事，一名非執行董事及兩名獨立非執行董事；本公司審核委員會由潘學田先生及蔡達英先生組成，因此，本公司獨立非執行董事及審核委員會成員之總人數降至少於上市規則第3.10(1)條及第3.21條最少數目的要求。本公司將於上市規則第3.11條允許的時間內，全力物色合適人選填補該空缺以遵守上市規則第3.10(1)條及第3.21條的規定。

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 September 2010 to Tuesday, 14 September 2010 (both days inclusive) for the purposes of ascertaining entitlements to the Company's interim dividend, during which period no transfer of shares will be registered.

Dividend warrants will be despatched to shareholders on or about Tuesday, 21 September 2010. 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, 10 September 2010.

By Order of the Board

**Li Kei Ling**

*Chairman*

Hong Kong, 27 August 2010

## 暫停辦理股份過戶登記

為確定獲派本公司中期股息的資格，本公司於二零一零年九月十三日星期一至二零一零年九月十四星期二（首尾兩天包括在內），暫停辦理股份過戶登記手續。

股息單約將於二零一零年九月二十一日星期二寄發予股東。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，於二零一零年九月十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，二零一零年八月二十七日

		For the six months ended 30 June 截至六月三十日止六個月		
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元	
<b>REVENUE</b>	收入	3	<b>626,357</b>	495,550
Cost of sales	銷售成本		<b>(426,621)</b>	(353,009)
<b>Gross profit</b>	毛利		<b>199,736</b>	142,541
Other income and gain	其他收入及收益	3	<b>5,545</b>	1,034
Selling and distribution costs	銷售及分銷費用		<b>(52,805)</b>	(44,666)
Administrative expenses	行政費用		<b>(24,789)</b>	(23,023)
Other expenses	其他費用		<b>(19,771)</b>	(9,399)
Finance costs	財務費用	4	<b>(130)</b>	(292)
<b>Profit before tax</b>	除稅前溢利	5	<b>107,786</b>	66,195
Income Tax	所得稅	6	<b>(20,288)</b>	(15,118)
<b>PROFIT FOR THE PERIOD</b>	本期間溢利		<b>87,498</b>	51,077
Attributable to:	以下各項應佔：			
Equity holders of the parent	母公司權益持有人		<b>87,500</b>	51,117
Non-controlling interests	非控股權益		<b>(2)</b>	(40)
			<b>87,498</b>	51,077
<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	8		
– basic, for profit for the period	– 基本，以本期間溢利計算		<b>RMB 0.1106</b>	RMB 0.0656
– diluted, for profit for the period	– 攤薄，以本期間溢利計算		<b>RMB 0.1098</b>	RMB 0.0654



# Condensed Consolidated Statement of Comprehensive Income

## 簡明綜合全面收益表

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
<b>PROFIT FOR THE PERIOD</b>	本期間溢利	<b>87,498</b>	51,077
Currency translation difference	匯兌調整	<b>27</b>	(55)
<b>OTHER COMPREHENSIVE GAIN/ (LOSS) FOR THE PERIOD, NET OF TAX</b>	本期間除稅後其他 全面收益／(虧損)總額	<b>27</b>	(55)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	本期間除稅後全面 收益總額	<b>87,525</b>	51,022
Attributable to:	以下各項應佔：		
Equity holders of the parent	母公司權益持有人	<b>87,527</b>	51,062
Non-controlling interests	非控股權益	<b>(2)</b>	(40)
		<b>87,525</b>	51,022

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
	Notes 附註		
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	9	252,545
Land use rights	土地使用權		250,186
Construction in progress	在建工程		46,942
Intangible assets	無形資產		94,536
Deferred tax assets	遞延稅項資產		85,699
			15,685
			2,532
Total non-current assets	非流動資產總額		412,159
			400,238
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	10	201,963
Trade and notes receivables	應收貿易及票據款項	11	418,770
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		19,869
Financial assets at fair value through profit or loss	透過損益以公允值列賬之財務資產		5,592
Restricted bank deposits	受限制銀行存款		35,200
Cash and cash equivalents	現金及現金等價物		158,091
Total current assets	流動資產總額		839,485
			726,227
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade and notes payables	應付貿易及票據款項	12	394,446
Other payables and accruals	其他應付款及應計負債		33,119
Bank advances for discounted bills	銀行貼現票據墊款		-
Interest-bearing bank loan, current portion	計息銀行貸款—一年內到期部分	13	36,640
Derivative financial instrument	衍生金融工具		33
Income tax payable	應付所得稅		6,100
Total current liabilities	流動負債總額		470,338
			403,981
Net current assets	流動資產淨額		369,147
			322,246
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>		781,306
			722,484
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Interest-bearing bank loan	計息銀行貸款	13	2,617
Government grants	政府撥款		-
Deferred tax liability	遞延稅項負債		10,176
Total non-current liabilities	非流動負債總額		12,793
			10,640
<b>Net assets</b>	<b>淨資產</b>		768,513
			711,844

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

			<b>30 June 2010</b> 二零一零年 六月三十日 <b>(Unaudited)</b> (未經審核) <b>RMB'000</b> 人民幣千元	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
		Notes 附註		
<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	14	<b>84,251</b>	83,649
Reserves	儲備		<b>683,709</b>	592,871
Proposed final dividend	擬派末期股息		-	34,769
			<b>767,960</b>	711,289
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>553</b>	555
<b>Total equity</b>	<b>權益總額</b>		<b>768,513</b>	711,844

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

**For the six months ended 30 June 2010**

截至二零一零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 繳入盈餘	Statutory reserve 法定盈餘	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	Non- controlling interests 非控股 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 2009	於二零零九年一月一日	82,964	57,684	2,699	2,622	100,175	74,051	(7,514)	288,383	27,477	628,541	672	629,213
Profit for the period	本期間溢利	-	-	-	-	-	-	-	51,117	-	51,117	(40)	51,077
Other comprehensive loss	其他全面虧損	-	-	-	-	-	-	(55)	-	-	(55)	-	(55)
<b>Total comprehensive income</b>	<b>全面收益總額</b>	-	-	-	-	-	-	(55)	51,117	-	51,062	(40)	51,022
Exercise of share options	行使購股權	388	2,293	-	(426)	-	-	-	-	-	2,255	-	2,255
Shares repurchased and cancelled	贖回及註銷股份	(16)	(97)	16	-	-	-	-	(16)	-	(113)	-	(113)
Dividends paid to non-controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	-	-	(73)	(73)
Final 2008 dividend declared	宣派二零零八年末期股息	-	-	-	-	-	-	-	-	(27,477)	(27,477)	-	(27,477)
Dividend on shares issued for employee share options exercised after 31 December 2008	二零零八年十二月三十一日 後行使的僱員購股權所發行 股份的股息	-	-	-	-	-	-	-	(17)	-	(17)	-	(17)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	241	-	-	-	-	-	241	-	241
Transfer from retained profits	自保留溢利中轉撥	-	-	-	-	-	(161)	-	161	-	-	-	-
<b>At 30 June 2009</b>	<b>於二零零九年六月三十日</b>	<b>83,336</b>	<b>59,880</b>	<b>2,715</b>	<b>2,437</b>	<b>100,175</b>	<b>73,890</b>	<b>(7,569)</b>	<b>339,628</b>	<b>-</b>	<b>654,492</b>	<b>559</b>	<b>655,051</b>
At 1 January 2010	於二零一零年一月一日	83,649	61,865	2,715	2,152	100,175	87,122	(7,604)	346,446	34,769	711,289	555	711,844
Profit for the period	本期間溢利	-	-	-	-	-	-	-	87,500	-	87,500	(2)	87,498
Other comprehensive income	其他全面收益	-	-	-	-	-	-	27	-	-	27	-	27
<b>Total comprehensive income</b>	<b>全面收益總額</b>	-	-	-	-	-	-	27	87,500	-	87,527	(2)	87,525
Exercise of share options	行使購股權	602	4,109	-	(849)	-	-	-	-	-	3,862	-	3,862
Shares repurchased and cancelled	贖回及註銷股份	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests	已付非控股權益股息	-	-	-	-	-	-	-	-	-	-	-	-
Final 2009 dividend declared	宣派二零零九年末期股息	-	-	-	-	-	-	-	-	(34,769)	(34,769)	-	(34,769)
Dividend on shares issued for employee share options exercised after 31 December 2009	二零零九年十二月三十一日 後行使的僱員購股權所發行 股份的股息	-	-	-	-	-	-	-	(82)	-	(82)	-	(82)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	133	-	-	-	-	-	133	-	133
Transfer from retained profits	自保留溢利中轉撥	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 30 June 2010</b>	<b>於二零一零年六月三十日</b>	<b>84,251</b>	<b>65,974</b>	<b>2,715</b>	<b>1,436</b>	<b>100,175</b>	<b>87,122</b>	<b>(7,577)</b>	<b>433,864</b>	<b>-</b>	<b>767,960</b>	<b>553</b>	<b>768,513</b>

## Condensed Consolidated Statement of Cash Flows

### 簡明綜合現金流量表

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
Net cash flows from operating activities	經營活動產生的現金流量淨額	<b>132,169</b>	64,780
Net cash flows used in investing activities	投資活動所用的現金流量淨額	<b>(63,354)</b>	(20,273)
Net cash flows from/ (used in) financing activities	融資活動產生/(所用)的 現金流量淨額	<b>2,749</b>	(25,751)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	<b>71,564</b>	18,756
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	<b>86,450</b>	38,936
Effect of foreign exchange rate changes, net	匯率變動之影響淨額	<b>77</b>	(53)
Cash and cash equivalents as 30 June	於六月三十日的現金及現金等價物	<b>158,091</b>	57,639
<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	現金及銀行結餘	<b>158,091</b>	57,639
Short term deposit	短期銀行存款	—	—
		<b>158,091</b>	57,639

## 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 2010 (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 (the "IASB") 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 2009.

### Impact of new and revised International Financial Reporting Standards

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

- (a) New and amended International Financial Reporting Standards ("IFRSs") adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

## 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

截至二零一零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理事會(「國際會計準則理事會」)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。除按公允價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二零零九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

編製本簡明綜合財務資料所採用之會計政策與截至二零零九年十二月三十一日止年度之年度財務報表所採用的會計政策一致，惟以下所述者除外。

- (a) 本集團採納之新訂及經修訂國際財務報告準則(「國際財務報告準則」)

下列為須於二零一零年一月一日開始之財政年度首次實行之新準則及準則修訂。

## 1. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

### Impact of new and revised International Financial Reporting Standards (Continued)

#### (a) New and amended International Financial Reporting Standards (“IFRSs”) adopted by the Group (Continued)

- IFRS 3 (Revised), “Business combinations”, and consequential amendments to IAS 27, “Consolidated and separate financial statements”, IAS 28, “Investments in associates”, and IAS 31, “Interests in joint ventures”, are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.
- The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs are expensed.
- As the Group has adopted IFRS 3 (Revised), it is required to adopt IAS 27 (Revised), “Consolidated and Separate Financial Statements”, at the same time. IAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognized in profit or loss.

## 1. 編製基準及新訂及經修訂的國際財務報告準則的影響(續)

### 新訂及經修訂國際財務報告準則的影響(續)

#### (a) 本集團採納之新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

- 國際財務報告準則第3號(經修訂)「業務合併」，以及對國際會計準則第27號「綜合及獨立財務報表」、國際會計準則第28號「於聯營公司之投資」及國際會計準則第31號「於合營企業之權益」之其後修訂，以未來適用法應用於收購日期為二零零九年七月一日或之後開始之首個年度報告期間或之後之業務合併。
- 該經修訂準則繼續對業務合併應用收購法，但較國際財務報告準則第3號有些重大更改。例如，購買業務之所有付款必須按收購日期之公平值入賬，而分類為債務之或然付款其後須於收益表重新計量。就於被收購方之非控股權益而言，可按逐項收購基準以公平值或非控股權益應佔被收購方淨資產之比例計量。所有收購相關成本均計入開支。
- 因本集團已採納國際財務報告準則第3號(經修訂)，其要求須同時採納國際會計準則第27號(經修訂)「綜合及獨立財務報表」。國際會計準則第27號(經修訂)規定，如控制權並無變動，則附有非控股權益之所有交易之影響必須在權益中呈列，而此等交易將不再導致商譽或盈虧。該準則亦闡明失去控制權時之會計處理方式。於該實體之任何保留權益按公平值重新計量，並在損益賬中確認盈虧。

## 1. BASIS OF PREPARATION AND IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

### Impact of new and revised International Financial Reporting Standards (Continued)

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group

- IFRIC 17, “Distributions of Non-cash Assets to Owners” is effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- “Additional Exemptions for First-time Adopters” (Amendment to IFRS 1) is effective for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer.
- IAS 39 (Amendment), “Eligible Hedged Items” is effective for annual period on or after 1 July 2009. That is not currently applicable to the Group, as it has no hedging.
- IFRS 2 (Amendment), “Group Cash-settled Share-based Payment Transaction” is effective for annual periods beginning on or after 1 January 2010. This is not currently applicable to the Group, as it has no such share-based payment transactions.
- First improvements to International Financial Reporting Standards (2008) were issued in May 2008 by the IASB. The improvement related to IFRS 5 “Non-current Assets Held For Sale and Discontinued Operations” is effective for annual period on or after 1 July 2009.
- Second improvements to International Financial Reporting Standards (2009) were issued in April 2009 by the IASB. All improvements are effective in the financial year of 2010.

## 1. 編製基準及新訂及經修訂的國際財務報告準則的影響(續)

### 新訂及經修訂國際財務報告準則的影響(續)

(b) 於二零一零年生效但與本集團無關之準則、對現有準則之修訂及詮釋

- 國際財務報告詮釋委員會第17號，「向擁有人分派非現金資產」，於二零零九年七月一日或之後開始之年度期間生效。由於本集團並無作出任何非現金分派，故該準則現時並不適用於本集團。
- 「首次採納者之額外豁免」（對國際財務報告準則第1號的修改），於二零一零年一月一日或之後開始之年度期間生效。由於本集團為國際財務報告準則之現行編製者，故該修訂本與本集團無關。
- 國際會計準則第39號（修訂本），「合資格對沖項目」，於二零零九年七月一日或之後開始之年度期間生效。由於本集團並無任何對沖項目，故該修訂本現時並不適用於本集團。
- 國際財務報告準則第2號（修訂本），「集團以現金結算股份為基礎之付款交易」，於二零一零年一月一日或之後開始之年度期間生效。由於本集團並無以股份為基礎之付款交易，故該修訂本現時並不適用於本集團。
- 國際會計準則理事會在二零零八年五月公佈了第一個對國際財務報告準則（2008）的年度改進計劃。涉及國際財務報告準則第5號「持有代售的非流動資產及終止經營」的改進由二零零九年七月一日或之後開始的年度期間起生效。
- 國際會計準則理事會在二零零九年四月公佈了第二個對國際財務報告準則（2009）的年度改進計劃。所有改進由二零一零年財政年度起生效。



## 2. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services. There is one reportable operating segment: the manufacture and sale of pharmaceutical products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation and performance assessment.

## 3. 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:

## 2. 分類資料

本集團將業務單位按其產品及服務劃分，以方便管理。本集團有一個可報告分類：製造及銷售醫藥產品。管理層整體監察業務單位的經營業績，以作出資源分配及表現評估之決策。

## 3. 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、貿易折扣的發票淨額。

本集團收入、其他收入及收益分析如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
<b>Revenue</b>	<b>收入</b>		
Sale of goods	銷售貨品	<b>626,357</b>	495,550
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	<b>468</b>	170
Dividend income from financial assets at fair value through profit or loss	透過損益以公允值列賬之財務資產的股息收入	<b>103</b>	39
Government grants	政府撥款	<b>3,749</b>	341
Others	其他	<b>1,225</b>	384
		<b>5,545</b>	934
<b>Gain</b>	<b>收益</b>		
Gain on disposal of financial assets at fair value through profit or loss	出售透過損益以公允值列賬之財務資產的收益	-	100
		<b>5,545</b>	1,034

## 4. FINANCE COSTS

## 4. 財務費用

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank advances for discounted bills	銀行貼現票據墊款利息	-	292
Interest on bank loan	銀行貸款利息	130	-
		<b>130</b>	<b>292</b>

## 5. PROFIT BEFORE TAX

## 5. 除稅前溢利

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

本集團的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	
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
Cost of the inventories sold	已售存貨成本	426,621	353,009
Depreciation	折舊	12,284	12,478
Recognition of land use rights*	土地使用權確認*	521	1,173
Research and development costs:	研究及開發成本：		
Amortisation of intangible assets**	無形資產攤銷**	459	429
Current period expenditure	本期間支出	9,888	8,048
		<b>10,347</b>	<b>8,477</b>

## 5. PROFIT BEFORE TAX (CONTINUED)

## 5. 除稅前溢利(續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
Minimum lease payments under operating leases: Buildings	按經營租約之 最低租金: 樓宇	753	868
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	33,276	30,984
Retirement costs	退休成本	3,412	3,171
Accommodation benefits	住房福利	1,316	1,254
Other benefits	其他福利	5,174	4,876
Equity-settled share option expense	以股權支付的購股權開支	133	241
		<b>43,311</b>	40,526
Foreign exchange differences, net***	匯兌差額，淨額***	169	17
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	8,220	1,027
Fair value losses/ (gains), net:	公允值虧損/(收益)，淨額：		
Financial assets at fair value through profit or loss	透過損益以公允值列賬之 財務資產	557	(1,263)
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	244	371

\* 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綜合收益表的「行政費用」。

\*\* 本期間的無形資產攤銷計入簡明綜合收益表的「其他費用」。

\*\*\* 本期間的匯兌差額，淨額計入簡明綜合收益表的「其他費用」。

## 6. INCOME TAX

## 6. 所得稅

		<b>For the six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2010</b>	2009
		二零一零年	二零零九年
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Current income tax	當期所得稅		
Current income tax charge	當期所得稅支出	<b>18,722</b>	14,708
Adjustments in respect of current income tax of previous years	有關過往年度當期所得稅調整	<b>(1,497)</b>	231
Deferred income tax	遞延稅項	<b>3,063</b>	179
<b>Total tax charge for the period</b>	<b>本期間稅項支出總額</b>	<b>20,288</b>	15,118

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。

## 7. DIVIDENDS

## 7. 股息

		<b>For the six months ended 30 June</b>	
		截至六月三十日止六個月	
		<b>2010</b>	2009
		二零一零年	二零零九年
		<b>(Unaudited)</b>	(Unaudited)
		(未經審核)	(未經審核)
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Dividend pertaining to the prior year declared in the six months ended 30 June	截至六月三十日止六個月宣派的去年度股息	<b>34,851</b>	27,494
Interim – HK\$0.020 (2009: HK\$0.018) per ordinary share	中期：每股普通股港幣0.020元 (二零零九年：港幣0.018元)	<b>13,877</b>	12,447

On 27 August 2010, the Company declared an interim dividend for the year ending 31 December 2010, at HK\$0.02 per share, amounting to a total sum of approximately HK\$15,869,000 (approximately equivalent to RMB13,877,000).

本公司於二零一零年八月二十七日宣派截至二零一零年十二月三十一日止年度的中期股息每股港幣0.02元，合共約港幣15,869,000元（約相當於人民幣13,877,000元）。

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2010 is based on the profit for the period attributable to ordinary equity holders of the parent of RMB87,500,000 (2009: RMB51,117,000) and the weighted average number of 790,896,243 ordinary shares (2009: 779,503,713 ordinary shares) in issue during the period.

The calculation of diluted earnings per share for the period is based on the profit for the period attributable to ordinary equity holders of the parent of RMB87,500,000 (2009: RMB51,117,000) and the weighted average number of 796,676,488 ordinary shares (2009: 781,838,235 ordinary shares) in issue during the period after adjusting for the effect of dilutive options.

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to approximately RMB2,782,000 (2009: approximately RMB2,689,000). During the period, items of plant and equipment with net book value of approximately RMB351,000 (2009: approximately RMB2,638,403) were disposed of.

## 10. INVENTORIES

Raw materials (at cost)	原材料(以成本計算)
Work in progress (at cost or net realisable value)	在製品(以成本或可變現淨值計價)
Finished goods (at cost or net realisable value)	製成品(以成本或可變現淨值計價)

## 8. 每股盈利

截至二零一零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本期間溢利人民幣87,500,000元(二零零九年: 人民幣51,117,000元)以及於本期間已發行普通股之加權平均股數790,896,243股(二零零九年: 779,503,713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本期間溢利人民幣87,500,000元(二零零九年: 人民幣51,117,000元)以及本期間已發行普通股之加權平均股數796,676,488股(二零零九年: 781,838,235股)計算, 並就具攤薄作用之購股權予以調整。

## 9. 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2,782,000元(二零零九年: 約值人民幣2,689,000元)。本期間, 出售之物業、廠房及設備項目賬面淨值約為人民幣351,000元(二零零九年: 約值人民幣2,638,403元)。

## 10. 存貨

<b>30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元</b>	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
<b>44,882</b>	28,197
<b>102,743</b>	113,836
<b>54,338</b>	42,313
<b>201,963</b>	184,346

## 11. TRADE AND NOTES RECEIVABLES

An aged analysis of the trade and notes receivables as at 30 June 2010, 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

## 11. 應收貿易及票據款項

按發票日期計，於二零一零年六月三十日的應收貿易及票據款項賬齡分析如下：

30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
<b>156,167</b>	153,947
<b>12,491</b>	5,044
<b>880</b>	3
<b>-</b>	-
<b>-</b>	10
<b>169,538</b>	159,004
<b>28,041</b>	116,730
<b>221,191</b>	159,574
<b>249,232</b>	276,304
<b>418,770</b>	435,308

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。

## 12. TRADE AND NOTES PAYABLES

An aged analysis of the trade and notes payables as at 30 June 2010, 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

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.

## 12. 應付貿易及票據款項

按發票日期計，於二零一零年六月三十日的應付貿易及票據款項賬齡分析如下：

30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
<b>106,842</b>	85,251
<b>3,002</b>	876
<b>156</b>	165
<b>103</b>	153
<b>952</b>	1,015
<b>111,055</b>	87,460
<b>127,993</b>	125,505
<b>155,398</b>	137,490
<b>283,391</b>	262,995
<b>394,446</b>	350,455

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。

## 13. INTEREST-BEARING BANK LOAN

## 13. 計息銀行貸款

		30 June 2010 二零一零年六月三十日 (Unaudited) (未經審核)		31 December 2009 二零零九年十二月三十一日 (Audited) (已審核)	
		Original 原幣 HK\$'000 港幣千元	Equivalent 相等於 RMB'000 人民幣千元	Original 原幣 HK\$'000 港幣千元	Equivalent 相等於 RMB'000 人民幣千元
Unsecured bank loan	無抵押銀行貸款	45,000	39,257	6,000	5,283

As at 30 June 2010, the Group has HK\$45,000,000 (as at 31 December 2009: HK\$6,000,000) floating rate interest-bearing bank loans, of which HK\$42,000,000 were repayable within a year with the remaining balance repayable with a period of two to three years.

As at 30 June 2010, the Group's bank loans are guaranteed by corporate guarantee of the Company and some of its subsidiaries. Besides, a subsidiary of the Group undertook to maintain fixed deposits of not less than RMB35,200,000 at the bank's wholly-owned subsidiary located in Shanghai, China throughout the loan period of HK\$40,000,000 bank loans. The fixed deposit carries interest at market rate. Concurrent with the loans, the Group entered into an interest rate swap contract with a notional amount of HK\$40,000,000 with the bank. The intended effect of which is to enable the Group to convert its interest rate exposure under its floating rate bank loans to a fixed annual interest rate.

於二零一零年六月三十日，本集團共有浮動利息銀行貸款港幣45,000,000元(於二零零九年十二月三十一日：港幣6,000,000元)；其中港幣42,000,000元須於一年內償還，其餘則須於兩至三年內償還。

於二零一零年六月三十日，本集團之銀行貸款由本公司及部份附屬公司作公司擔保。其中港幣40,000,000元銀行貸款由本集團附屬公司承諾於貸款期間維持銀行定期存款人民幣35,200,000元於該銀行在中國上海的全資附屬公司，該筆定存按市場年利率計息。同時本集團與銀行訂立一張名義總額港幣40,000,000元的利息掉期合約，其目的是使本集團能把浮動利息借貸可能面對的利率風險轉為固定年利率的效果。



## 14. SHARE CAPITAL

## 14. 股本

		Number of shares 股份數目		Amount 金額	
		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核)	30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2009 二零零九年 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：	<b>10,000,000,000</b>	10,000,000,000	<b>1,000,000</b>	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	<b>786,416,000</b>	778,648,000	<b>78,642</b>	77,865
Shares repurchased and cancelled	已贖回及註銷的股份	-	(184,000)	-	(18)
Shares issued upon exercise of share options	行使購股權時 發行股份	<b>6,848,000</b>	7,952,000	<b>684</b>	795
At end of the period/year	於期終／年終	<b>793,264,000</b>	786,416,000	<b>79,326</b>	78,642
Equivalent to RMB'000	等值人民幣千元			<b>84,251</b>	83,649

During the period, 6,848,000 share options under the Company's share option scheme were exercised. Accordingly, 6,848,000 ordinary shares of HK\$0.1 each were issued as a result of exercise of share options.

於本期間，6,848,000 股根據本公司購股權計劃之購股權已獲行使。因此，6,848,000 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。

## 15. 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:

## 15. 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 2010 於二零一零年六月三十日	Date of grant of share options (a) 授出購股權日期 (a) (dd/mm/yy) (日/月/年)	Exercise period of share options 購股權行使期間 (dd/mm/yy) (日/月/年)	Closing price of the Company's shares (c) 本公司股份收市價格 (c)	
		At 1 January 2010 於二零一零年一月一日	Granted during the period 本期間已授出	Exercised during the period 本期間已行使	Lapsed during the period (d) 本期間已失效 (d)				Exercise price of share options (b) 購股權行使價 (b) HK\$ 港幣	At immediate date before the grant 授出購股權前一天 HK\$ 港幣
<b>Director</b>	<b>董事</b>									
Mr. Gao Yi	高毅先生	300,000	-	(300,000)	-	0	28/12/04	28/12/05-27/12/10	0.58	0.59
		3,000,000	-	(1,608,000)	-	1,392,000	04/04/07	04/04/08-03/04/13	0.71	0.70
		3,300,000	-	(1,908,000)	-	1,392,000				
<b>Other employees</b>	<b>其他僱員</b>									
In aggregate	總計	1,100,000	-	(1,100,000)	-	0	17/11/04	17/11/05-16/11/10	0.63	0.62
		4,368,000	-	(2,680,000)	-	1,688,000	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
		4,280,000	-	(840,000)	-	3,440,000	04/04/07	04/04/08-03/04/13	0.71	0.70
		780,000	-	-	-	780,000	10/07/07	10/07/08-09/07/13	0.80	0.80
		800,000	-	(320,000)	-	480,000	01/02/08	01/02/09-31/01/14	0.74	0.74
		1,000,000	-	-	-	1,000,000	09/12/08	09/12/09-08/12/14	0.70	0.71
		13,128,000	-	(4,940,000)	-	8,188,000				
		16,428,000	-	(6,848,000)	-	9,580,000				

## 15. 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\$1.52 and HK\$1.67 respectively.

For the six months ended 30 June 2010, no shares options were granted or cancelled. As at 30 June 2010, the Company had 9,580,000 share options outstanding under the Scheme, which represented approximately 1.2% 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 9,580,000 additional ordinary shares of the Company, additional share capital of HK\$958,000 and share premium of HK\$5,706,960 (before share issue expenses).

## 15. 購股權(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一元五角二分及港幣一元六角七分。

截至二零一零年六月三十日止六個月，本公司無授出及註銷任何購股權。於二零一零年六月三十日，本公司根據計劃尚有9,580,000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1.2%。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9,580,000股普通股以及產生港幣958,000元額外股本和港幣5,706,960元股份溢價(未計股份發行開支)。

## 15. 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	10/01/2007	04/04/2007	10/07/2007	01/02/2008	09/12/2008
Dividend yield (%)	股息率 (%)	6.94	7.53	6.05	5.87	5.14	5.85	6.27
Expected volatility (%)	預期波幅 (%)	47	46	43	43	43	43	39
Historical volatility (%)	過往波幅 (%)	47	46	43	43	43	43	39
Risk-free interest rate (%)	無風險折現率 (%)	2.76	2.91	3.70	4.05	4.63	2.20	1.63
Expected life of option (year)	購股權預計年期 (年)	6	6	6	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.

## 15. 購股權 (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。

並無其他授予購股權的因素列入公允值的計算當中。

## 16. RESERVES

The amounts of the reserves and the movements therein for the six months periods are presented in the condensed consolidated statement of changes in equity on page 27 of the interim report.

**(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.

**(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.

## 16. 儲備

於六個月期間的儲備金額及變動已載於中期報告第 27 頁的簡明綜合權益變動表內。

**(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。

**(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。

## 17. COMMITMENTS

## (a) Operating lease commitments

At 30 June 2010, 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

## 17. 承擔

## (a) 營業租賃承擔

截至二零一零年六月三十日，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 2010 二零一零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
1,782	1,941
1,650	2,991
<b>3,432</b>	<b>4,932</b>

## (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

## (b) 資本承擔

購置廠房及機器之資本性開支：

30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2009 二零零九年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
31,269	33,940
280,567	120,470
<b>311,836</b>	<b>154,410</b>

## 18. RELATED PARTY TRANSACTIONS

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

Compensation of key management personnel:

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

## 18. 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	
2010 二零一零年 (Unaudited) (未經審核) RMB'000 人民幣千元	2009 二零零九年 (Unaudited) (未經審核) RMB'000 人民幣千元
1,785	1,815
36	36
25	50
<b>1,846</b>	<b>1,901</b>

## 19. 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, liquidity risk and interest rate 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. This exposure arises from sales of the Group's subsidiaries denominated in currencies other than the Group's functional currency. Approximately 15.4% of the Group's sales for the six months ended 30 June 2010 (2009: 6%) 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.

## 19. 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、流動資金風險及利率風險。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。截至二零一零年六月三十日止六個月，本集團約15.4%之銷售乃以本集團功能貨幣以外之貨幣計值(二零零九年：6%)。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。

## 19. 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.

## 19. 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。



## 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings subject to variable rates expose the Group to cash flow interest rate risk. Borrowings subject to fixed rates economically expose the Group to fair value interest rate risk.

This risk is managed by considering the portfolio of interest bearing assets and liabilities. The net desired position is then managed by borrowing fixed rate or through the use of interest rate swaps, which have the economic effect of converting floating rate borrowings into fixed rate borrowings. The appropriate ratio of fixed/floating risk for the Group is reviewed periodically. The level of fixed rate debt is decided after taking into consideration the potential impact of higher interest rates on profit, interest cover and cash flow cycles of the Group's business and investments. If the current low interest rate environment is unlikely to persist due to inflationary concerns, the Group will consider to lock in fixed rate borrowings to reduce the impact of interest rate fluctuations.

### 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 2010.

## 20. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform with the current period's presentation.

## 21. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim report was approved and authorised for issue by the board of directors on 27 August 2010.

## 19. 金融風險管理目標及對策(續)

### 利率風險

本集團的利率風險主要來自借貸。以浮動利率計息的借貸使本集團承擔現金流量利率風險。按定息借入的借貸則使本集團承擔公平價值變動的利率風險。

管理該利率風險時會考慮整體附息的資產及負債組合。按需要會以定息借貸或利用利率掉期管理，利率掉期具有把浮息借貸轉為定息借貸之經濟效益。本集團會定期檢討定息／浮息風險的合適比例。決定定息負債的水平時，會考慮較高利率對本集團業務及投資的溢利、利息倍數及現金流量週期的潛在影響。若因市場有通脹憂慮使目前的低息環境不可能持續，本集團會考慮使用定息借貸，降低利率波動的影響。

### 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。於截至二零一零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。

## 20. 比較數字

若干比較數字曾作調整，以符合本期間的呈列方式。

## 21. 中期財務報告的批准

本中期報告書已於二零一零年八月二十七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](http://www.dawnrays.com)**