



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

2007 | 中期報告
Interim Report

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EXECUTIVE DIRECTORS

Ms. LI Kei Ling
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

COMPANY SECRETARY

Ms. PANG Kit Ling

QUALIFIED ACCOUNTANT

Mr. KWONG Chak Lam

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

執行董事

李其玲女士
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

公司秘書

彭潔玲女士

合資格會計師

鄭澤霖先生

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

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, 10 September 2007 to Wednesday, 12 September 2007
(both days inclusive)

Interim Dividend, payable

HK\$0.015 per share, payable on or about 18 September 2007

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

二零零七年九月十日(星期一)至二零零七年九月十二日(星期三)(首尾兩天包括在內)

中期股息(待派發)

每股港幣0.015元, 約於二零零七年九月十八日派發

Financial Highlights 財務摘要

The board (the “Board”) of directors (the “Directors”) 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 2007 (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(「董事」)會(「董事會」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零零七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	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元	Change 變幅 %
Turnover 營業額	437,202	398,197	9.8
Profit before tax 除稅前溢利	46,108	48,207	(4.35)
Net Profit attributable to equity holders 權益持有人應佔淨溢利	41,356	45,451	(9.01)
Earnings per share – basic (RMB) 每股盈利 – 基本 (人民幣)	0.0516	0.0568	(9.15)
Interim dividend per share (HK\$) 每股中期股息 (港幣)	0.015	0.015	–

CONSOLIDATED RESULTS

The Group has recorded the turnover of approximately RMB437,202,000 for the six months ended 30 June 2007, which was increased by 9.8% from the same period of the financial year 2006. The increase in turnover was mainly attributable to the steady growth in revenue from the businesses of the Group. Net profit attributable to equity holders for the six months ended 30 June 2007 was approximately RMB41,356,000, which was decreased by RMB4,095,000 from the corresponding period of last year. The decline in profit was mainly due to the increase in prices of chemical raw materials, sales expenditures and enterprises' income tax.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.015 per share for the year ended 31 December 2007, approximately amounting to the total sum of HK\$12,064,000 (approximately equivalent to RMB11,804,000).

OVERVIEW

Operation of the Group for the first half of 2007 had been well with sound financial position. By leveraging on the advantageous vertically integrated production and sales strategies among the upper, middle and lower stream, the Group has been ranking among the top 100 enterprises among over 4,000 pharmaceutical enterprises in the People's Republic of China (the "PRC"). The Board always pays attention to the dominant trend in market development, and pursues for sustainable development strategies that are beneficial and effective, so as to consolidate and enhance the Group's position in the pharmaceutical market in the PRC.

After conducting marketing survey for a long time within and outside the PRC, the Board concentrated its efforts to improve the production conditions of the Group under its middle term development plan in accordance with the pharmaceuticals production technologies and standards of internationally leading countries. Therefore, during the first half of 2007, the Group separately devoted resources to the upper, middle and lower stream of its industry chain.

綜合業績

本集團截至二零零七年六月三十日止六個月期間，集團的營業額為人民幣437,202,000元，較二零零六年財政年度同期增加9.8%。營業額增加主要由於集團業務的銷售額穩健增長所致。截至二零零七年六月三十日止六個月期間，權益持有人應佔溢利為人民幣41,356,000元，較去年同期減少人民幣4,095,000元。溢利減少主要由於化工原料價格上升、銷售費用增加和企業所得稅有所增長所致。

中期股息

董事會決議宣派截至二零零七年十二月三十一日止年度中期股息每股港幣0.015元，合共約港幣12,064,000元（約相當於人民幣11,804,000元）。

概覽

本集團於二零零七年上半年的營運情況良好，財務狀況穩健。憑藉優越的上中下游三環緊扣的垂直綜合產銷策略，本集團在四千多家中國製藥工業中一直位列首百強內。董事會時刻關注市場發展的大趨勢，謀求有利有效的可持續發展策略，以鞏固及提昇本集團在中國醫藥市場的地位。

經長時間的國內外市場調查，董事會在本集團的中期發展規劃方面，將按照國際先進國家的藥品生產水平和規範，重點提高本集團的生產條件。因此，本集團在二零零七年上半年在集團產業鏈的上中下游三個部份，分別投入資源。

In addition, during the first half of 2007, the Group, as the only research and cooperation partner and designated supplier for drugs used in research, participated in the largest integrated medical project for the prevention and treatment of hypertension. The project is one of the key projects in the Eleventh Five-Year Plan (“Eleventh Five-Year Plan”) of the PRC, which is supported by the Ministry of Health of the People’s Republic of China and the Ministry of Science and Technology of the People’s Republic of China, and is conducted by the Cardiovascular Institute, Chinese Academy of Medical Sciences in the PRC. The project is the first Eleventh Five-Year Plan project in the medical sector in the PRC that is supported by the State, which basically covers major hospitals in the Mainland PRC. The Group is entitled to all interests from the commercialization of the results from the research of the project. With the continuous enhancement in the power of the economy in the PRC, consumption per capita has increased substantially. There will definitely be simultaneous increase in the demand for cardiovascular drugs by the market. Therefore, it is expected by the Board that the project will improve the Group’s capabilities in the marketing and research of cardiovascular drugs.

PROSPECTS

Looking into the past, the Board has been developing the businesses of the Group under the mission of “advancement, change and innovation on a solid foundation”. It is expected to create maximum value and bring stable return to the investment of the shareholders. In the meantime, it is also expected the Group can contribute to the health of people in a socially responsible manner. On this foundation, the businesses of the Group have been moving ahead under the direction and speed as planned by the Board. The Group has successfully become one of the top 100 pharmaceutical enterprises in the PRC.

此外，在二零零七年上半年，本集團，作為唯一的研究合作方和研究用藥指定供應商，參與了中國最大型的高血壓綜合防治醫學項目。該項目是中國第十一個五年規劃（「十一五規劃」）的重點項目之一，得到國家衛生部和科技部支持，由中國醫學科學院心血管病研究所主持。該項目是第一個在中國醫學領域內獲國家支持啟動的十一五規劃項目，基本覆蓋中國大陸主要大型醫院。本集團享有所有該項目研究成果的商業化權益。隨著中國經濟實力不斷增強，人均消費水平大幅上升，對於心血管病藥的市場需求勢必不斷增長。因此，董事會預計該項目將增強本集團在心血管藥領域的市場和研發能力。

展望

回顧過去，董事會一貫秉承「穩健中求進步、求變革、求創新」的宗旨發展本集團的事業，期求為股東的投資創造最大的價值和穩定的收益；同時，也為人類的健康事業作出企業應有的社會貢獻。在這個基礎上，本集團的業務一直在董事會規劃的方向和速度向前發展邁進，並成為了中國製藥工業百強企業。

Looking into the future, with the economy in the PRC developing rapidly after joining the World Trade Organization, there has been rapid growth in the per capita income. The strength of the nation as a whole continued to increase. The remarkable success in the economy achieved by the State present development opportunities to different industries in the PRC unprecedented in the past century. However, such success also brings enormous pressure to the manufacturing industry in the PRC. Today, as a pharmaceutical manufacturing enterprise in the PRC market, the Group, as well as its peers, have to seriously and properly deal with the conflict between corporate development and environmental protection. We have to monitor production processes at different phases comprehensively. We also have to enhance our quality assurance system so as to assure the delivery of quality products for use.

The Board considers that the pharmaceutical manufacturing industry in the PRC is facing structural change. The manufacturing enterprises must devote resources on its own to adapt to the strict requirements of the regulatory authorities in terms of environmental protection, quality and other aspects. Similar establishments of low standard will be phased out. Based on this conclusion, the Board has moved ahead of time. When we were formulating the middle term development strategies of the Group, we must fulfill the requirements as laid down by Chinese supervisory authorities for pharmaceutical productions in the planning of standards for the construction of new projects. At the same time, we have to obtain the certification and pass the examination by leading national pharmaceutical regulatory authorities, so as to attain "state-of-the-art, quality and high standard" for its production facilities.

In the long run, the pharmaceutical market in the PRC is a market with huge growth potential. I believe that the various new projects undertaken by the Group can establish a new platform that can consolidate and enhance the position of the Company in the pharmaceutical market in the PRC. I also believe that this new platform can create new conditions for the Group to compete in the international market, and to strengthen the development of its overseas business more effectively. We will facilitate and develop the businesses of the Group through internal innovation and cooperation externally with other parties in a multi-facet manner that will improve the core value of the enterprise and enhance the return on the investment of the shareholders.

展望未來，中國自加入世貿組織後，經濟高速發展，人均國民收入增長迅速，國家綜合國力不斷提高。國家輝煌的經濟成就，為中國各行各業創造了百年難得的發展機遇，但也同時給中國的生產工業帶來了巨大壓力。今天，作為中國市場的藥品生產企業，本集團跟所有同業一樣，我們要嚴肅面對和妥善處理企業發展和環境生態保護兩者之間的矛盾；我們要全方位監控各個生產環節，提高質量保障系統，保證產品以優良質量交付使用。

董事會認為中國的藥品生產工業正進行結構性轉變，生產企業將必須投入資源自我調整迎合監管機構在環保、質量和其他方面的嚴格要求，低水平的重覆建設將會被淘汰。基於這個結論，董事會早著先鞭，在制定本集團的中期發展策略時，規劃新建項目的建設標準均必須要符合中國藥品生產監管部門的規定，並且能通過先進國家藥品監管機構的認證檢查，使生產設施達致「先進、優質、高水平」。

長遠來看，中國醫藥市場是一個具有巨大增長潛力的市場。我相信，本集團現正進行的各個新項目能夠為本集團打造新平台，鞏固和提昇本公司在中國醫藥市場的地位。我也相信，這個新平台能夠為本集團在國際市場創造新條件，更有效地增強本集團海外業務的發展。我們將通過內部創新和外部合作，多渠道推動和發展本集團業務，以強化企業核心價值，提高股東投資的回報。

The Board and the senior management will devote to the strict standard and transparent corporate governance in future just as the past. We will improve internal control and financial management, so as to maintain a stable dividend policy by the Company.

Finally, I wish to express my gratitude to the support and trust of the shareholders of the Company and all staff of the Group. We will dedicate ourselves to the work in future just as the past.

Li Kei Ling

Chairman

24 August 2007

董事會和高管層將一如既往致力於嚴格及透明的企業管治，做好內部控制和財務管理的工作，維護本公司穩定的派息政策。

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

二零零七年八月二十四日

BUSINESS REVIEW

1. Operation Overview

The total turnover of the Group for the first half of 2007 was RMB437,202,000. The increase in sales was mainly attributable to the change in product composition and sales strategy according to the market conditions. Save as powder for injections, the sales of bulk medicines and generic drugs (system specific medicines) increased. In addition, as the Group has actively expanded overseas market, export sales reached RMB50,230,000 for the first half of the year, representing approximately 11.5% of total turnover, and an increase of 88.3% from the corresponding period of last year. As the orders from overseas increased substantially, the turnover from bulk medicines increased by approximately RMB45,134,000 or approximately 20.8% from the corresponding period of last year. As there was further expansion in the markets for generic drugs (system specific medicines) with higher profit margin in the PRC, the turnover continued to increase to RMB49,673,000, which was approximately 2% higher than the corresponding period of last year. In view of the marketing strategies, the sales for certain low profit margin products on powder for injections were reduced. Therefore the turnover from powder for injections decreased by approximately RMB7,093,000 or approximately 5.3% from the corresponding period of last year.

The Group continued to implement expenses budgeting to monitor the expenditure. The total expenses incurred during the period were approximately RMB52,944,000, equivalent to a decrease of approximately 5.3% compared with the corresponding period of last year. Other expenses were decreased by approximately RMB7,096,000 from the corresponding period of last year mainly due to the decrease in related provisions and research and development costs. Administrative expenses were similar to the corresponding period of last year, and there was no finance costs expense. Selling and distribution costs amounted to RMB30,525,000, equivalent to a surge of approximately 22.4% compared with the corresponding period of last year, which was due to the change in sales strategies and the increase in marketing activities expenses for the expansion of sales network. In addition, as there were more sales, together with the increase in fuel expenses, there were relatively more distribution expenses.

業務回顧

1. 營運概況

本集團二零零七年上半年總營業額錄得人民幣437,202,000元，銷售額增加主要是本集團根據市場狀況調整產品結構及銷售策略，除粉針劑外，原料藥及仿製藥(專科用藥)的銷售量均有所增長。另在積極開拓海外市場下，上半年出口銷售額達人民幣50,230,000元，佔總營業額約11.5%，較上年同期增長約88.3%。由於海外訂單大幅增加，原料藥的營業額較上年同期增加約人民幣45,134,000元，增長約20.8%。毛利率較高的仿製藥(專科用藥)由於能進一步開拓國內市場，總營業額亦能持續增長，較上年同期增加約2%至人民幣49,673,000元。粉針劑因應市場策略，減少了部分低毛利產品的銷售，粉針劑的營業額較上年同期減少約人民幣7,093,000元，減少約5.3%。

本集團仍繼續實施費用預算管理，控制支出，本期間的費用合共約人民幣52,944,000元，較去年同期減少約5.3%。其他費用較去年同期減少約人民幣7,096,000元，主要是相關撥備和研究及開發成本減少所致。行政費用與去年同期相約及沒有財務費用支出。唯銷售及分銷費用較去年同期增加約22.4%至人民幣30,525,000元，主要原因是調整銷售策略及為擴大銷售網絡，增加市場推廣活動費用支出；此外由於銷售增加，加上燃油費的提升相對增加分銷費用。

2. New products highlights

For the first half of 2007, there were a total of 25 types and specifications of products that had changed production approvals. There were 26 types of products that had completed research in technique, quality and/or clinical research and filed registration.

3. Projects to construct production facilities for expansion

In order to support future development, the Group separately devoted resources to the upper, middle and lower stream of its industry chain during the first half of 2007, and made various major deployments as follows:

i) *Pharmaceutical chemical intermediates*

The design on the new workshop project for the expansion of production capabilities of Suzhou Dawnrays Chemical Co. Ltd. was fundamentally completed;

Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. was invested by the Group and established in Nantong, Jiangsu Province. A piece of industrial land at approximately 130 mu (about 8.7 hectares) was acquired for the construction of new plant. The construction had commenced, and it is expected that the new plant will commence operation in the second half of 2008. The new plant has two strategic value propositions to the Group:

- 1) To expand the production capabilities of pharmaceutical chemical intermediates so as to fulfill the demand from the market in view of the continuous increase in sales by the Group;
- 2) The high quality intermediates produced by the new plant can be sold directly overseas, and explore new profit growth points of the Group.

2. 新產品情況

二零零七年上半年共有25個品種規格的產品更換了生產批件；完成工藝、品質研究和／或臨床研究並註冊申報的品種有26個。

3. 擴充生產設施專案建設

為配合未來發展，二零零七年上半年在本集團產業鏈的上中下游三個部份，分別投入資源，作出下列各項重要部署：

i) *醫藥化工中間體*

蘇州東瑞化工有限公司為擴充產能而新增車間的專案設計基本完成；

在江蘇省南通市投資成立東瑞(南通)醫藥科技有限公司並購入約130畝(約8.7公頃)工業用地建新廠房並已動工興建，預計新廠房在二零零八年下半年投入生產。這個新廠房對本集團具備兩項戰略作用：

- 1) 因應本集團銷售量不斷增加，擴大醫藥化工中間體的產能以滿足市場需求；
- 2) 新廠房生產的高質量中間體可以直接對外銷售，為本集團開拓新的盈利增長點。

ii) *Bulk medicines*

A German professional design firm on pharmaceutical industrial production was engaged to design the two new workshops for bulk medicines of Suzhou Dawnrays Pharmaceutical Co. Ltd.. The new workshops will be constructed strictly in accordance with the standards of European Union so as to ensure the quality of every work. After the new workshops commenced operation, essential and high standard management measures will be imposed accordingly so as to assure that the products will pass the Certification of Suitability to the Monographs of the European Pharmacopoeia (COS) under European Directorate for the Quality of Medicines (EDQM) of the European Union. The Group can only further leverage on the rapid growth in overseas sales business at over 60% per annum for the past three financial years through these exercises. It is expected after the two new workshops commenced operation, the competitiveness of the Group in the overseas market, in particular the high end market, will increase significantly.

iii) *Pharmaceutical preparations*

Apart from the acquisition of land in Nantong, Jiangsu Province as referred to above, the Group intends to additionally acquire land in Suzhou, and construct oral bulk medicines and pharmaceutical preparations production plants according to the standard of U.S. Food and Drug Administration (FDA).

4. Staff and remuneration policy

As at 30 June 2007, the Group employed approximately 1,527 employees and the total remuneration was approximately RMB25,232,000 (2006: RMB24,725,000). The Group regards high performance employees as the most valuable assets and truly understands the importance of attracting, training and retaining capable people. Therefore, apart from the references of market salary index, the remuneration policy is also based on individual qualifications and performance. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

ii) *醫藥原料*

蘇州東瑞製藥有限公司兩個新建原料藥車間專案已委託德國的醫藥工業生產專業設計公司進行設計。新車間將按照歐盟標準嚴格施工，保證各項工程質量。新車間投入使用後將配合必要的、高水平的管理措施，力求產品能夠通過歐盟下屬的「歐洲藥品質量理事會」(European Directorate for the Quality of Medicines,「EDQM」)設定的「歐洲藥典適用性證書認證」(Certification of Suitability to the Monographs of the European Pharmacopoeia,「COS」)。只有這樣，才可以更充份發揮本集團在過去叁個財政年度內，海外銷售業務按年計以超過60%的速度增長的優勢。預期該兩個新車間投入運作後，本集團在海外市場，特別是高端市場的競爭實力將大幅提高。

iii) *醫藥製劑*

除上述在江蘇省南通市購入土地外，本集團擬在蘇州增購土地並將按照美國食品藥品監督管理局(U.S. Food and Drug Administration,「FDA」)標準建設口服原料藥及製劑生產廠房。

4. 僱員及薪酬政策

於二零零七年六月三十日，本集團約有1,527名僱員，其薪酬總額約為人民幣25,232,000元(二零零六年：人民幣24,725,000元)。本集團視優秀員工為公司的寶貴資產，深明吸納、培訓及挽留人才的重要性，因此，薪酬政策除參考市場水平，亦會按個別員工的資歷及表現而制定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's liquidity and financial resources remain adequate. During the period, net cash inflow from operating activities was approximately RMB39,929,000 (2006: RMB37,861,000). Net cash outflow used in investing activities was approximately RMB5,381,000 (2006: RMB21,591,000). Net cash outflow used in financing activities was approximately RMB10,853,000 (2006: RMB30,191,000). As at 30 June 2007, the Group's cash and bank deposit which were mainly denominated in Renminbi, Hong Kong Dollars and United States Dollars amounted to approximately RMB67,718,000 (as at 31 December 2006: RMB44,023,000).

As at 30 June 2007, the Group's net current assets were approximately RMB280,104,000 (as at 31 December 2006: RMB242,216,000). Total assets amounted to approximately RMB787,031,000 (as at 31 December 2006: RMB758,337,000). As at 30 June 2007, the Group had no bank advances for discounted bills (as at 31 December 2006: RMB25,351,000), therefore had zero gearing (as at 31 December 2006: 3.3%, being bank advances for discounted bills over total assets). As at 30 June 2007, the Group's stand-by banking facilities totalled RMB543,400,000 (as at 31 December 2006: RMB463,400,000).

As at 30 June 2007, the Group's capital commitment was approximately RMB118,692,000 (as at 31 December 2006: RMB43,865,000), which was derived from the construction of new workshops projects so as to expand the production capabilities of the Group in different phases. The Group has sufficient financial and internal resources to bear the capital expenditures.

財務回顧

流動資金與財務資源

本集團的流動資金與財務資源持續充裕。本期間，經營業務的現金流入淨額約人民幣39,929,000元(二零零六年：人民幣37,861,000元)；用作投資活動的現金流出淨額約人民幣5,381,000元(二零零六年：人民幣21,591,000元)；用作融資活動的現金流出淨額約人民幣10,853,000元(二零零六年：人民幣30,191,000元)。於二零零七年六月三十日，集團的現金及銀行存款主要以人民幣、港幣及美元結存，存款總額折合約人民幣67,718,000元(於二零零六年十二月三十一日：人民幣44,023,000元)。

於二零零七年六月三十日，本集團的流動資產淨值為人民幣280,104,000元(於二零零六年十二月三十一日：人民幣242,216,000元)，而資產總值為人民幣787,031,000元(於二零零六年十二月三十一日：人民幣758,337,000元)。於二零零七年六月三十日，本集團並沒有任何銀行貼現票據墊款(於二零零六年十二月三十一日：人民幣25,351,000元)，因此資本負債比率為零(於二零零六年十二月三十一日：3.3%為銀行貼現票據墊款佔資產總值的比率)。於二零零七年六月三十日，集團的備用銀行信貸額合共人民幣543,400,000元(於二零零六年十二月三十一日：人民幣463,400,000元)。

於二零零七年六月三十日，本集團的資本開支承擔約人民幣118,692,000元(於二零零六年十二月三十一日：人民幣43,865,000元)，主要是為擴充本集團產能將分批投入興建新車間工程項目。本集團有充足的財政資源足以支付該等資本開支。

As at 30 June 2007, save for investments in subsidiaries and the acquisition of 100% interest of a company, which has already renamed as Guangdong Dawnrays Pharmaceutical Co. Ltd. after acquisition, in Guangdong by RMB630,000 from an independent third party, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies. The detailed disclosures relating to the acquisition of Guangdong Dawnrays Pharmaceutical Co. Ltd. are set out in Note 12 to the interim condensed consolidated financial statements.

Foreign Exchange and Treasury Policies

Substantially all of the business activities, assets and liabilities of the Group are calculated 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 monitor the foreign exchange market, and may hedge against fluctuations with foreign exchange forward contracts if necessary.

Charges on Assets

As at 30 June 2007, the Group had no asset being pledged to banks to obtain credit facilities (as at 31 December 2006: Nil).

Contingent Liabilities

As at 30 June 2007, the Group had no material contingent liabilities (as at 31 December 2006: Nil).

Plans for Significant Investments and Expected Source of Funding

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

Segmental Information

The Group is principally engaged in one business segment, the manufacture and sale of medicines. The principal assets employed by the Group and most of the Group's operations are located in the Mainland China. Accordingly, no business segment and geographical segment is presented.

截至二零零七年六月三十日，除投資附屬公司及以人民幣630,000元於廣東向獨立第三者收購一間公司100%權益並已更名為廣東東瑞藥業有限公司外，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。有關廣東東瑞藥業有限公司的收購詳情載於簡明合併中期財務報表附註12。

外幣及庫務政策

由於本集團大部分業務交易、資產及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，並于有需要時以外匯遠期合約對沖外匯風險。

資產抵押

於二零零七年六月三十日，本集團無任何資產押給銀行，以取得信貸額度(於二零零六年十二月三十一日：無)。

或有負債

於二零零七年六月三十日，本集團並無重大或有負債(於二零零六年十二月三十一日：無)。

未來重大投資及預期融資來源

除於上述「流動資金及財務資源」一節所載有關資本開支承擔所披露者外，本集團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

本集團主要經營生產及銷售藥物業務。本集團的主要資產及經營業務均位於中國大陸。因此，並無呈列業務分類及地區分類。

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

As at 30 June 2007, the interests and short positions of the Directors and Chief Executive in the shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange 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	42.53
Mr. Hung Yung Lai 熊融禮先生	(a)	–	342,072,000	342,072,000	42.53
Mr. Li Tung Ming 李東明先生	(b)	4,700,000	56,000,000	60,700,000	7.55
Mr. Gao Yi 高毅先生	(c)	4,200,000	–	4,200,000	0.52
Mr. Leung Hong Man 梁康民先生	(d)	–	51,264,000	51,264,000	6.37

董事及行政總裁於股份及相關股份的權益及淡倉

於二零零七年六月三十日，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

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:

- (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.
- (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.
- (c) 300,000 shares of the Company are directly beneficially owned by Mr. Gao Yi and 3,900,000 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 14 to the interim condensed consolidated financial statements.
- (d) 51,264,000 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.

附註：

- (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 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) 300,000 股本公司股份由高毅先生直接實益擁有，3,900,000 股相關股份的權益為根據本公司購股權計劃授予彼的購股權，有關高毅先生購股權的詳情載列於簡明合併中期財務報表附註 14。
- (d) 51,264,000 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 2007, 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 14 to the interim condensed consolidated financial statements, 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 14 to the interim condensed consolidated financial statements.

除上述者外，於二零零七年六月三十日，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」一節及簡明合併中期財務報表附註14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簡明合併中期財務報表附註14。

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

As at 30 June 2007, the following interests or short positions in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

主要股東及其他人士於股份及相關股份的權益

於二零零七年六月三十日，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	42.53
Keysmart Enterprises Limited	(a)	–	–	342,072,000	342,072,000	42.53
Hunwick International Limited	(a)	–	–	342,072,000	342,072,000	42.53
Mdm. lu Pun 姚彬女士	(b)	–	342,072,000	–	342,072,000	42.53
Time Lead Investments Limited	(c)	56,000,000	–	–	56,000,000	6.96
Toyo International Investment Limited 東海國際投資有限公司	(d)	51,264,000	–	–	51,264,000	6.37
Mdm. Lo Mei Sai 羅美茜女士	(e)	–	51,264,000	–	51,264,000	6.37
Mr. Leung Yiu Sing 梁耀成先生	(d) & (f)	656,000	–	51,264,000	51,920,000	6.46
Mdm. Chu Shuet Fong 朱雪芳女士	(f) & (g)	656,000	51,264,000	–	51,920,000	6.46

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。

- (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) 656,000 shares are jointly held by Mr. Leung Yiu Sing and his wife 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.

Save as disclosed above, as at 30 June 2007, 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2007, neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company’s listed securities.

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 of Hong Kong Ltd. (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 2007 have been reviewed by the audit committee before recommending it to the Board for approval.

- (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) 656,000股股份由梁耀成先生及彼之配偶朱雪芳女士共同持有，彼等均被視為擁有該批共同持有股份的全部權益。
- (g) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。

除上文披露者外，於二零零七年六月三十日，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）。

購買、贖回或出售本公司上市證券

截至二零零七年六月三十日止之六個月期間，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。

證券交易的標準守則

本公司已採納載於香港聯合交易所有限公司證券上市規則（「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。

本公司截至二零零七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。

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 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 10 September 2007 to Wednesday, 12 September 2007 (both days inclusive), during which period no transfer of shares will be registered.

Dividend warrants will be despatched to shareholders on or about Tuesday, 18 September 2007. 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, 7 September 2007.

By Order of the Board

Li Kei Ling

Chairman

Hong Kong, 24 August 2007

企業管治常規守則

董事認為，於截至二零零七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

本公司於二零零七年九月十日星期一至二零零七年九月十二日星期三(首尾兩天包括在內)，暫停辦理股份過戶登記手續。

股息單約將於二零零七年九月十八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，於二零零七年九月七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，二零零七年八月二十四日

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	
		2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2006 二零零六年 (Unaudited) (未經審核) RMB'000 人民幣千元
TURNOVER	營業額	3	437,202
Cost of sales	銷售成本		(339,226)
Gross profit	毛利		97,976
Other income	其他收入	3	1,076
Selling and distribution costs	銷售及分銷費用		(30,525)
Administrative expenses	行政費用		(18,072)
Other expenses	其他費用		(4,347)
Finance costs	財務費用		-
PROFIT BEFORE TAX	除稅前溢利	4	46,108
Tax	稅項	5	(4,712)
PROFIT FOR THE PERIOD	本期間溢利		41,396
Attributable to:	以下各項應佔：		
Equity holders of the parent	母公司權益持有人		41,356
Minority interest	少數股東權益		40
			41,396
DIVIDENDS	股息	6	11,804
EARNINGS PER SHARE	每股盈利	7	
- basic	- 基本		RMB0.0516
- diluted	- 攤薄		RMB0.0513

Condensed Consolidated Balance Sheet
簡明合併資產負債表

		30 June 2007 二零零七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2006 二零零六年 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	232,016
Land use rights	土地使用權		240,741
Construction in progress	在建工程		13,204
Goodwill	商譽	12	1,236
Intangible assets	無形資產		869
Deferred tax assets	遞延稅項資產		583
			16,316
			477
			263,678
			270,831
CURRENT ASSETS	流動資產		
Inventories	存貨	9	119,279
Trade and notes receivables	應收貿易及票據款項	10	304,878
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		26,176
Financial assets at fair value through profit or loss	按公允值記入損益表之財務資產		5,302
Cash and cash equivalents	現金及現金等價物		67,718
			523,353
			487,506
CURRENT LIABILITIES	流動負債		
Trade and notes payables	應付貿易及票據款項	11	221,700
Bank advances for discounted bills	銀行貼現票據墊款		-
Income tax payable	應付所得稅		2,441
Other payables and accruals	其他應付款及應計負債		19,108
			243,249
			245,290
Net current assets	流動資產淨額		280,104
			242,216
Total assets less current liabilities	資產總額減流動負債		543,782
			513,047
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	13	85,298
Reserves	儲備		457,721
Proposed final dividend	擬派末期股息		-
			543,019
			512,257
Minority interest	少數股東權益		763
			790
Total equity	權益總額		543,782
			513,047

Condensed Consolidated Statement of Changes in Equity

簡明合併權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2007

截至二零零七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 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	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 2006	於二零零六年一月一日	84,880	69,583	-	1,616	100,175	45,018	446	157,469	29,127	488,314	743	489,057
Exchange realignment	匯兌調整	-	-	-	-	-	-	416	-	-	416	-	416
Net profit for the period	本期間淨溢利	-	-	-	-	-	-	45,451	-	-	45,451	45	45,496
Exercise of share options	行使購股權	106	646	-	(118)	-	-	-	-	-	634	-	634
Shares repurchased and cancelled	購回及註銷股份	(195)	(1,073)	195	-	-	-	-	(195)	-	(1,268)	-	(1,268)
Dividends paid to minority shareholder	已付少數股東股息	-	-	-	-	-	-	-	-	-	-	(49)	(49)
Final 2005 dividend declared	宣派二零零五年末期股息	-	-	-	-	-	-	-	-	(29,127)	(29,127)	-	(29,127)
Dividend on shares issued for employee share options exercised after 31 December 2005	二零零五年十二月三十一日 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	-	-	-	509	-	-	-	-	-	509	-	509
Transfer from retained profits	自保留溢利中轉撥	-	-	-	-	-	7	-	(7)	-	-	-	-
At 30 June 2006	於二零零六年六月三十日	84,791	69,156	195	2,007	100,175	45,025	862	202,696	-	504,907	739	505,646
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
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

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	
		2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2006 二零零六年 (Unaudited) (未經審核) RMB'000 人民幣千元
Net cash flow from operating activities	經營業務的現金流量淨額	39,929	37,861
Net cash flow used in investing activities	用作投資活動的現金流量淨額	(5,381)	(21,591)
Net cash flow used in financing activities	用作融資活動的現金流量淨額	(10,853)	(30,191)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	23,695	(13,921)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	44,023	51,948
Cash and cash equivalents as 30 June representing bank balances and cash	於六月三十日的現金及現金等價物 即銀行結餘及現金	67,718	38,027

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2007 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) 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 statements 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 accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2006.

In 2007, the Group adopted the new standard, amendment and interpretations below, which are relevant to its operations.

IAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
IFRS 7	Financial Instruments: Disclosure

The Group has assessed the impact of the adoption of these new standard, amendment and interpretations and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies, whereas the adoption of IAS 1 (Amendment) and IFRS 7 requires additional disclosures to be made in the annual report.

1. 編製基準與主要會計政策

截至二零零七年六月三十日止六個月的未經審核簡明合併中期財務報表是按照國際會計準則委員會頒佈的《國際會計準則》（「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，中期財務報表乃按歷史成本原則編製。

管理層需在編製符合會計準則第34號的中期財務報表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。

編製本中期財務報表所採用的會計政策及計算方法與截至二零零六年十二月三十一日止年度的財務報表一致。

在二零零七年，本集團採納下列與其業務相關的新準則、修訂和詮釋。

《國際會計準則》第1號（修訂）	財務報表的呈報：資本披露
《國際財務報告準則》第7號	金融工具：披露

本集團已評估採納該等新準則、修訂及詮釋後之影響，認為無論對集團之業績及財務狀況或會計政策，均無任何重大改變；而年報之披露則會因應採納會計準則第1號（修訂）及財務報告準則第7號而作出增加。

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The Group has not early applied the following new and revised standards and interpretations, that have been issued but are not yet effective, in these financial statements. The Group expects that the adoption of such standards and interpretations will not result in substantial changes to the Group's financial statements.

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

2. SEGMENT INFORMATION

The Group is principally engaged in one business segment, the manufacture and sale of medicines. The principal assets employed by the Group and most of the Group's operations are located in the Mainland China. Accordingly, no business segment and geographical segment is presented.

1. 編製基準與主要會計政策 (續)

本集團並未於財務報表提早應用下列已頒佈但尚未生效之新訂及經修訂準則及詮釋。本集團預期，採納此等準則及詮釋將不會對本集團財務報表構成重大影響。

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

2. 分類資料

本集團主要經營生產及銷售藥物業務。本集團的主要資產及經營業務均位於中國大陸。因此，並無呈列業務分類及地區分類。

3. TURNOVER AND OTHER INCOME

3. 營業額及其他收入

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Turnover	營業額		
Sale of goods	銷售貨品	437,202	398,197
Other income	其他收入		
Bank interest income	銀行利息收入	478	519
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	21	2
Government grants	政府撥款	50	20
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	286	124
Others	其他	241	201
		1,076	866

4. PROFIT BEFORE TAX

4. 除稅前溢利

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

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	
		2007	2006
		二零零七年	二零零六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of the inventories sold	已售存貨成本	339,226	294,966
Depreciation	折舊	11,566	10,737
Amortization of land use rights *	土地使用權攤銷 *	154	153
Research and development costs:	研究及開發成本：		
Deferred expenditure amortised **	遞延開支攤銷 **	281	392
Current period expenditure	本期間支出	5,845	7,391
		6,126	7,783
Minimum lease payments under operating leases:	按經營租約之最低租金：		
Land and buildings	土地及樓宇	789	633
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	22,073	21,784
Retirement costs	退休成本	2,067	1,766
Accommodation benefits	住房福利	706	666
Equity-settled share option expense	以股權支付的購股權開支	386	509
		25,232	24,725
Foreign exchange differences, net	匯兌淨額	228	496
Fair value gains, net:	公允值收益淨額：		
Financial assets at fair value through profit or loss	按公允值記入損益表之財務資產	(526)	(86)
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	108	1,241

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

* 本期間的土地使用權攤銷已計入簡明合併利潤表的「行政費用」內。

** The amortization of deferred expenditure for the period is included in "Other expenses" on the face of the condensed consolidated income statement.

** 本期間的遞延開支攤銷已計入簡明合併利潤表的「其他費用」內。

5. TAX

Current income tax	當期所得稅
Current income tax charge	當期所得稅支出
Under/(over) provision in previous year	往年度撥備不足／(剩餘)
Deferred income charge	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	
2007	2006
二零零七年	二零零六年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
RMB'000	RMB'000
人民幣千元	人民幣千元
4,398	2,973
136	(262)
178	–
4,712	2,711

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	截至六月三十日止六個月宣派的去年度股息
Interim – HK\$0.015 (2006: HK\$0.015) per ordinary share	中期：每股普通股港幣0.015元 (二零零六年：港幣0.015元)

6. 股息

For the six months ended 30 June	
截至六月三十日止六個月	
2007	2006
二零零七年	二零零六年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
RMB'000	RMB'000
人民幣千元	人民幣千元
13,654	29,127
11,804	12,400

On 24 August 2007, the Company declared an interim dividend for the year ending 31 December 2007, at HK\$0.015 per share, amounting to a total sum of approximately HK\$12,064,000 equivalent to approximately RMB11,804,000.

本公司於二零零七年八月二十四日宣派截至二零零七年十二月三十一日止年度的中期股息每股港幣0.015元，合共約港幣12,064,000元(約相當於人民幣11,804,000元)。

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2007 is based on the net profit attributable to ordinary equity holders of the parent of RMB41,356,000 (2006: RMB45,451,000) and the weighted average number of 802,090,718 ordinary shares (2006: 800,020,552 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 RMB41,356,000 (2006: RMB45,451,000) and the weighted average number of 806,692,166 ordinary shares (2006: 801,307,004 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 RMB1,761,000 (2006: approximately RMB13,951,000). During the period, items of plant and equipment with net book value of approximately RMB108,000 (2006: approximately RMB1,379,000) 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

截至二零零七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41,356,000元(二零零六年: 人民幣45,451,000元)以及於本期間已發行普通股之加權平均股數 802,090,718 股(二零零六年: 800,020,552 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41,356,000元(二零零六年: 人民幣45,451,000元)以及本期間已發行普通股之加權平均股數 806,692,166 股(二零零六年: 801,307,004 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1,761,000元(二零零六年: 約值人民幣13,951,000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108,000元(二零零六年: 約值人民幣1,379,000元)。

9. 存貨

30 June 2007 二零零七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2006 二零零六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
17,739	16,261
57,458	91,432
44,082	26,904
119,279	134,597

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

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.

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 2007 二零零七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2006 二零零六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
141,785	125,532
8,990	11,035
1,914	1,863
309	145
486	334
153,484	138,909
129,546	87,035
21,848	62,948
151,394	149,983
304,878	288,892

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。

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

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

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 2007 二零零七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2006 二零零六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
71,904	74,657
3,607	629
876	1,032
2	98
266	304
76,655	76,720
78,041	46,040
67,004	78,482
145,045	124,522
221,700	201,242

應付款項乃不計利息及一般按九十日除賬期繳付。

12. ACQUISITION OF A SUBSIDIARY

During the period, the Group acquired 100% interest of a PRC company for RMB630,000, satisfied in cash. Upon acquisition, the Company's name changed to Guangdong Dawnrays Pharmaceutical Co Ltd.

12. 收購附屬公司

本期間，本集團收購一間中國大陸企業 100% 權益，現金代價為人民幣 630,000 元。於收購完成後，企業已更名為廣東東瑞藥業有限公司。

		Unaudited 未經審核 RMB'000 人民幣千元
Net identified assets and liabilities	已確認資產與負債淨額	47
Goodwill arising from acquisition	收購產生之商譽	583
		<hr/>
Total consideration	總代價	630
Less: cash and cash equivalents of the subsidiary acquired	減：收購附屬公司之現金及 現金等價物	15
		<hr/>
Net cash outflow in respect of the purchase of subsidiary	收購附屬公司之現金流出淨額	615
		<hr/> <hr/>

13. SHARE CAPITAL

13. 股本

		Number of shares 股份數目		Amount 金額	
		30 June 2007 二零零七年 六月三十日 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 (Audited) (已審核)	30 June 2007 二零零七年 六月三十日 (Unaudited) (未經審核) HK\$'000 港幣千元	31 December 2006 二零零六年 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 beginning of the period/year	於期初/年初	799,140,000	800,000,000	79,914	80,000
Shares repurchased and cancelled	購回及註銷股份	-	(1,880,000)	-	(188)
Exercise of share options	行使購股權	5,116,000	1,020,000	512	102
At end of the period/year	於期末/年終	804,256,000	799,140,000	80,426	79,914
Equivalent to RMB'000	等值人民幣千元			85,298	84,791

During the period, 5,116,000 share options under the Company's share option scheme were exercised. Accordingly, 5,116,000 ordinary shares of HK\$0.1 each were issued as a result of exercise of share options. The weighted average closing price immediately before the date on which the options were exercised is HK\$0.837.

Share options

Details of the Company's share option scheme and the share options exercised under the scheme are included in the Note 14 to the interim condensed consolidated financial statements.

14. 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.

於本期間，5,116,000 股根據本公司購股權計劃之購股權已獲行使。因此，5,116,000 股每股面值港幣一毫之普通股已因該等購股權獲行使而發行。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為港幣八毫三仙七。

購股權

有關本公司購股權計劃及根據該計劃而行使的購股權詳情載於本簡明合併中期財務報表附註 14。

14. 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。

14. SHARE OPTION SCHEME (CONTINUED)

14. 購股權計劃(續)

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

關於本期間購股權變動資料載列如下：

Name or category of participant	Number of share options 購股權數目					Date of grant of share options (a) 授出購股權日期(a) (日/月/年)	Exercise period of share options 購股權行使期間 (日/月/年)	Exercise price of share options (b) 購股權行使價(b) HK\$ 港幣	Closing price of the Company's shares (c) 本公司股份收市價格(c)
	At 1 January 2007	Granted during the period	Exercised during the period	Lapsed during the period (d)	At 30 June 2007				At immediate date before the grant
Director 董事									
Mr. Gao Yi 高毅先生	於二零零七年一月一日	本期間已授出	本期間已行使	本期間已失效(d)	於二零零七年六月三十日	28/12/04 04/04/07	28/12/05-27/12/10 04/04/08-03/04/13	0.58 0.71	0.59 0.70
	1,200,000	-	(300,000)	-	900,000				
	-	3,000,000	-	-	3,000,000				
	1,200,000	3,000,000	(300,000)	-	3,900,000				
Other employees 其他僱員									
In aggregate 總計	4,100,000	-	-	(1,600,000)	2,500,000	17/11/04	17/11/05-16/11/10	0.63	0.62
	16,800,000	-	(4,816,000)	(644,000)	11,340,000	28/12/04	28/12/05-27/12/10	0.58	0.59
	-	800,000	-	-	800,000	10/01/07	01/09/07-31/08/12	0.72	0.68
	-	4,500,000	-	-	4,500,000	04/04/07	04/04/08-03/04/13	0.71	0.70
	20,900,000	5,300,000	(4,816,000)	(2,244,000)	19,140,000				
Other participant 其他參與者	400,000	-	-	-	400,000	05/05/05	05/05/06-04/05/09	0.50	0.49
	22,500,000	8,300,000	(5,116,000)	(2,244,000)	23,440,000				

14. 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.
- (e) Mr. Xu Kehan resigned as an executive director of the Company on 18 March 2007 but remains as the strategic adviser of the Company, the share options granted to him are then regrouped under "Other employees".

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 is HK\$0.837.

For the six months ended 30 June 2007, 8,300,000 share options were granted. At the balance sheet date, the Company had 23,440,000 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 23,440,000 additional ordinary shares of the Company, additional share capital of HK\$2,344,000 and share premium of HK\$12,431,200 (before share issue expenses).

14. 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。
- (e) 許克寒先生於二零零七年三月十八日辭去本公司執行董事一職，但仍繼續出任本公司策略顧問。已授予他的購股權已重新歸類於「其他僱員」下。

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。已行使的購股權於緊接行使日期前一日之加權平均股份收市價為港幣八毫三仙七。

截至二零零七年六月三十日止六個月，本公司授出 8,300,000 份購股權。於結算日，本公司根據計劃尚有 23,440,000 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 23,440,000 股普通股以及產生港幣 2,344,000 元額外股本和港幣 12,431,200 元股份溢價（未計股份發行開支）。

14. 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
Dividend yield (%)	股息率(%)	6.94	7.53	8.92	6.25	6.07
Expected volatility (%)	預期波幅(%)	47	46	47	43	43
Historical volatility (%)	過往波幅(%)	47	46	47	43	43
Risk-free interest rate (%)	無風險折現率(%)	2.76	2.91	2.90	3.70	4.05
Expected life of option (year)	購股權預計年期(年)	6	6	4	6	6

The expected life of the options is based on the historical data over the past four 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. 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 22 of the interim condensed consolidated financial statements.

14. 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四年的歷史資料釐定，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特色列入公允值的計算當中。

15. 儲備

於六個月期間的儲備金額及變動已載於簡明合併中期財務報表第22頁的簡明合併權益變動表內。

15. RESERVES (CONTINUED)

(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. It is also used to record the effect of hedging net investments in foreign operations.

15. 儲備(續)

(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，亦用作記錄對沖外國經營活動的淨投資的影響。

16. COMMITMENTS

(a) Operating lease commitments

At 30 June 2007, the Group had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至五年， 包括首尾兩年
After five years	五年以上

(b) Capital commitments

Capital expenditure for the acquisition of land use rights and 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

16. 承擔

(a) 營業租賃承擔

截至二零零七年六月三十日，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 2007 二零零七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2006 二零零六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
1,861	1,783
1,946	3,571
-	324
3,807	5,678

(b) 資本承擔

購置土地使用權、廠房及機器之資本性開支：

11,209	6,448
107,483	37,417
118,692	43,865

17. 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

17. 關連方交易

本期間，本集團有以下重大關連方交易：

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	
2007 二零零七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2006 二零零六年 (Unaudited) (未經審核) RMB'000 人民幣千元
2,040	2,916
42	48
112	109
2,194	3,073

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank advances for discounted bills and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. 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 cash flow interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below.

Cash flow interest rate risk

The Group's interest rate risk primarily relates to bank advances for discounted bills which exposed the Group to cash flow interest rates risk.

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.

18. 金融風險管理目標及對策

本集團的金融工具以銀行貼現票據墊款以及現金及短期存款為主。持有該等金融工具之目的主要為本集團的經營籌措資金。此外，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。

本集團金融工具所涉及的主要風險為現金流量利率風險、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。

現金流量利率風險

本集團之利率風險主要與銀行貼現票據墊款有關，該等銀行墊款令本集團須承受現金流量利率風險。

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。

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts 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.

Liquidity risk

The Group maintains a balance between continuity of funding and flexibility through the use of bank advances for discounted bills.

19. COMPARATIVE FIGURES

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

20. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim report was approved and authorised for issue by the board of directors on 24 August 2007.

18. 金融風險管理目標及對策(續)

此外，本集團會持續監察應收結餘的情況，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利潤表的財務資產，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。

流動資金風險


本集團透過利用銀行貼現票據墊款，在資金延續性與靈活性之間維持平衡。

19. 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。

20. 中期財務報告的批准

本中期報告書已於二零零七年八月二十四日獲董事會批准及授權發行。



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