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山東新華製藥股份有限公司

**Shandong Xinhua Pharmaceutical Company Limited**

( a joint stock limited company established in the People's Republic of China with limited liability )

( Stock Code : 0719 )

## **THE FIRST QUARTER RESULTS OF 2009**

( for the period commencing 1 January 2009 to 31 March 2009 )

This announcement is made in accordance with the disclosure requirement under rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the "Board") of Shandong Xinhua Pharmaceutical Company Limited (the "Company") hereby announces the unaudited first quarter results of 2009 for the 3 months ended 31 March 2009 of the Company and its subsidiaries (the "Group"). All financial information set out in this announcement has been prepared in accordance with the generally accepted accounting standards and systems of the People's Republic of China (the "PRC") and the financial results of the Group have not been audited.

This announcement was prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

### **1. KEY ACCOUNTING AND FINANCIAL DATA**

	<b>As at 31 March 2009</b>	<b>As at 31 December 2008</b>	
	<b>Unaudited</b>	<b>Audited</b>	<b>Change</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Total assets	<b>2,323,408</b>	2,161,734	7.48
Total equity attributable to shareholders of the Parent company	<b>1,506,367</b>	1,453,253	3.65
Capital	<b>457,313</b>	457,313	0.00
Net assets per share attributable to shareholders of the Parent company(RMB)	<b>3.29</b>	3.18	3.46

  

	<b>Jan.- Mar. 2009</b>	<b>Jan.- Mar. 2008</b>	<b>Change as compared to</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>last year</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Total operating income	<b>605,946</b>	567,130	6.84
Profit attributable to the equity shareholders of the Parent company	<b>18,191</b>	12,549	44.95

Net cash flow from operating activities	<b>27,941</b>	(27,562)	N/A
Net cash flow from operating activities per share (RMB)	<b>0.06</b>	(0.06)	N/A
Basic earnings per share (RMB)	<b>0.04</b>	0.03	33.33
Diluted earnings per share (RMB)	<b>0.04</b>	0.03	33.33
Return on equity (%)	<b>1.21</b>	0.81	an increase of 0.40 percent
Return on equity after items extraordinary (Note) (%)	<b>1.03</b>	0.79	an increase of 0.24 percent

Note:

Extraordinary items include:

<b>Item</b>	<b>Amount (RMB)</b>
Profit or loss from disposal of non-current assets	(374,862.92)
Government subsidies recognized in current profit and loss, (excluding those closely related to the Company's normal operations and granted on an ongoing basis under the State's policies according to certain quota of amount or volume)	30,000.00
Gains/losses from fair value changes of trading financial assets and trading financial liabilities, and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, except effective hedging activities related to the Company's normal operations	6,082,292.89
Non-operating income or cost except items above	(2,577,502.68)
Minority interests	(49,568.77)
Income tax	(459,552.61)
Total	2,650,805.91

## 2. PROFIT AND LOSS ACCOUNT

Item	Jan.- Mar. 2009		Jan.- Mar. 2008	
	Consolidated	Parent company	Consolidated	Parent company
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Total operating income	605,946	410,387	567,130	412,523
Include: Operating income	605,946	410,387	567,130	412,523
2. Total operating cost	587,326	391,499	551,080	400,147
Include: Operating cost	491,513	325,341	482,615	353,520
Operating tax and surcharge	3,365	2,876	1,868	1,430
Selling expenses	51,594	28,482	37,977	21,011
Administrative expenses	30,768	24,800	28,138	24,033
Financial expenses	10,086	10,000	482	153
Assets impairment	-	-	-	-
Add: Fair value change income	6,082	5,982	1,080	1,080
Investment income	1,853	1,853	325	325
Include: Investment income of related ventures and joint ventures	1,853	1,853	325	325
3. Operating profit	26,555	26,723	17,455	13,781
Add: Non-operating income	78	72	378	378
Less: Non-operating expenses	3,001	2,997	1,000	894
Include: Loss from the disposal of non-current assets	375	375	69	69
4. Profit before taxation	23,632	23,798	16,833	13,265
Less: income tax	4,253	3,820	3,702	3,255
5. Profit after taxation	19,379	19,978	13,131	10,010
Profit attributable to the equity shareholders of the Parent	18,191	19,978	12,549	10,010
Minority interest	1,188	-	582	-
6. Earnings per share				
1) Basic earnings per share(RMB)	0.04	0.04	0.03	0.02
2) Diluted earnings per share(RMB)	0.04	0.04	0.03	0.02

Shandong Xinhua Pharmaceutical Company Limited

By order of the Board of Directors

Guo Qin  
Chairman

28 April 2009, Zibo, PRC

As at the date of this announcement, the Board comprises:

Executive Directors:

Ms. Guo Qin (Chairman)  
Mr. Ren Fulong  
Mr. Zhao Zongguo

Independent Non-executive Directors:

Mr. Zhu Baoquan  
Mr. Sun Minggao  
Mr. Xu Guojun  
Mr. Kwong Chi Kit, Victor

Non-executive Directors:

Mr. Liu Zhenwen  
Mr. Li Tianzhong