

• CAPITAL STRUCTURE

The Group's primary sources of funding were provided by internally generated cash flow. As at 31 December 2002, the Group had cash and bank balances of a total amount of HK\$475,580,000.

• ANALYSIS OF TURNOVER

Anti-viral drugs

Sale of anti-viral drugs during the period under review was approximately HK\$116,246,000, accounting for 25.34% of the total turnover of the Group and representing approximately 8.23% increase when compared with the corresponding period of last year. Increase of the turnover was due to the increased cases of viral flu during the winter of 2002.

Anti-inflammatory

Sale of anti-inflammatory during the period under review was approximately HK\$64,324,000, accounting for 14.02% of the total turnover of the Group. Due to its excellent therapeutic effect, especially for anti-inflammation and anti-germ, the product was popular in eastern and southern provinces of China.

Anti-hypotensive drugs

Sale of “复方降壓膠囊”, during the period under review was approximately HK\$45,907,000, accounting for 10.01% of the total turnover of the Group and representing approximately 87.24% increase when compared with the corresponding period of last year. It is expected that, with the excellent therapeutic effect to the treatment of high blood pressure and the competitive pricing over other similar products, “复方降壓膠囊” will become one of the major products of the Group in the future.