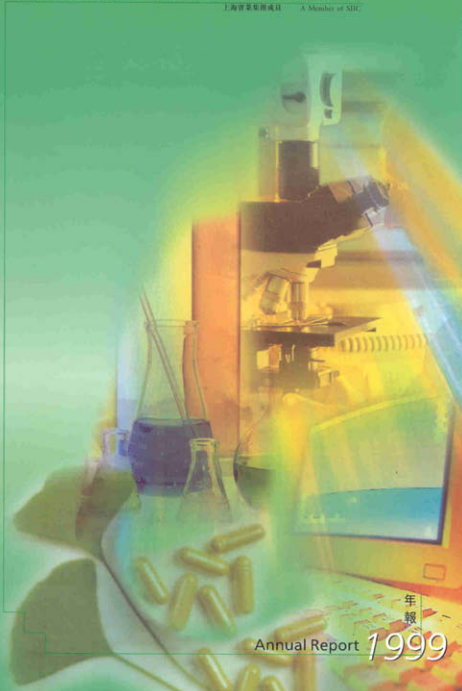




上海實業醫藥科技(集團)有限公司

SIC MEDICAL SCIENCE AND TECHNOLOGY (GROUP) LIMITED

上海實業集團成員 A Member of SIC



年報

Annual Report 1999

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色：

創業板乃為帶有高投資風險的公司提供一個上市的市場。尤其在創業板上市的公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市的公司可因其新興性質及該等公司經營業務的行業或國家而帶有風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他老練投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

創業板所發佈的資料的主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資的人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人的最新資料。

Characteristics of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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公司法定名稱：

上海實業醫藥科技(集團)有限公司*

LEGAL NAME OF THE COMPANY:

SIIC Medical Science and Technology (Group) Limited

執行董事：

卓福民(董事長)
馮根生(副董事長)
厲偉達(董事總經理)
陳樹滋(副董事總經理)
葛文耀
鄔健莊

EXECUTIVE DIRECTORS:

Zhuo Fu Min (*Chairman*)
Feng Gen Sheng (*Vice Chairman*)
Li Wei Da (*Managing Director*)
Chen Shu Zi (*Deputy Managing Director*)
Ge Wen Yao
Wu Jian Zhuang

獨立非執行董事：

郭勤功
李家祥
李嘉士

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Kwok Chin Kung, Robert
Li Ka Cheung, Eric
Lee Ka Sze, Carmelo

公司秘書：

黃美玲
ACS, ACIS, MBA, BA (Hons) AC

COMPANY SECRETARY:

Wong Mei Ling, Marina
ACS, ACIS, MBA, BA (Hons) AC

監察主任：

厲偉達

COMPLIANCE OFFICER:

Li Wei Da

認可會計師：

何漢明
BA (Hons) Econ, FCA

QUALIFIED ACCOUNTANT:

Ho Hon Ming, John
BA (Hons) Econ, FCA

授權代表：

厲偉達
黃美玲

AUTHORISED REPRESENTATIVES:

Li Wei Da
Wong Mei Ling, Marina

審核委員會：

李家祥(委員會主席)
郭勤功
李嘉士

AUDIT COMMITTEE:

Li Ka Cheung, Eric (*Committee Chairman*)
Kwok Chin Kung, Robert
Lee Ka Sze, Carmelo

* 僅供參考

* for identification purposes only

接收傳票及通告之授權代表：

厲偉達
黃美玲

**AUTHORISED PERSONS TO ACCEPT SERVICES OF
PROCESS AND NOTICES:**

Li Wei Da
Wong Mei Ling, Marina

註冊辦事處：

P.O. Box 309, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

REGISTERED OFFICE:

P.O. Box 309, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

總辦事處及主要營業地點：

香港灣仔軒尼詩道48-62號
上海實業大廈10樓

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS:

10/F., Shanghai Industrial Investment Building
48-62 Hennessy Road
Wanchai, Hong Kong

核數師及申報會計師：

德勤 • 關黃陳方會計師行

AUDITORS AND REPORTING ACCOUNTANTS:

Deloitte Touche Tohmatsu

保薦人：

法國國家巴黎百富勤融資有限公司

SPONSOR:

BNP Prime Peregrine Capital Limited

法律顧問：

香港法律顧問：
胡關李羅律師行

As to Hong Kong Law:
Woo, Kwan, Lee & Lo

中國法律顧問：
上海浦東律師事務所
方達律師事務所

As to PRC Law:
Pu Dong Law Office
Fangda Partners

開曼群島法律顧問：
Maples and Calder Asia

As to Cayman Islands Law:
Maples and Calder Asia

主要股份過戶登記處：

Bank of Butterfield International
(Cayman) Limited
P.O. Box 705, Butterfield House
Fort Street, George Town
Grand Cayman, Cayman Islands

香港股份過戶登記分處：

秘書商業服務有限公司
香港干諾道中111號
永安中心5樓

主要往來銀行：

交通銀行
恒生銀行
香港上海滙豐銀行
中國銀行(杭州市慶春分行)
中國建設銀行(上海市分行)
中國工商銀行(杭州市分行)
中國工商銀行(上海市分行)

網站地址：

www.siicmst.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE:

Bank of Butterfield International (Cayman) Limited
P.O. Box 705, Butterfield House
Fort Street, George Town
Grand Cayman, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE:

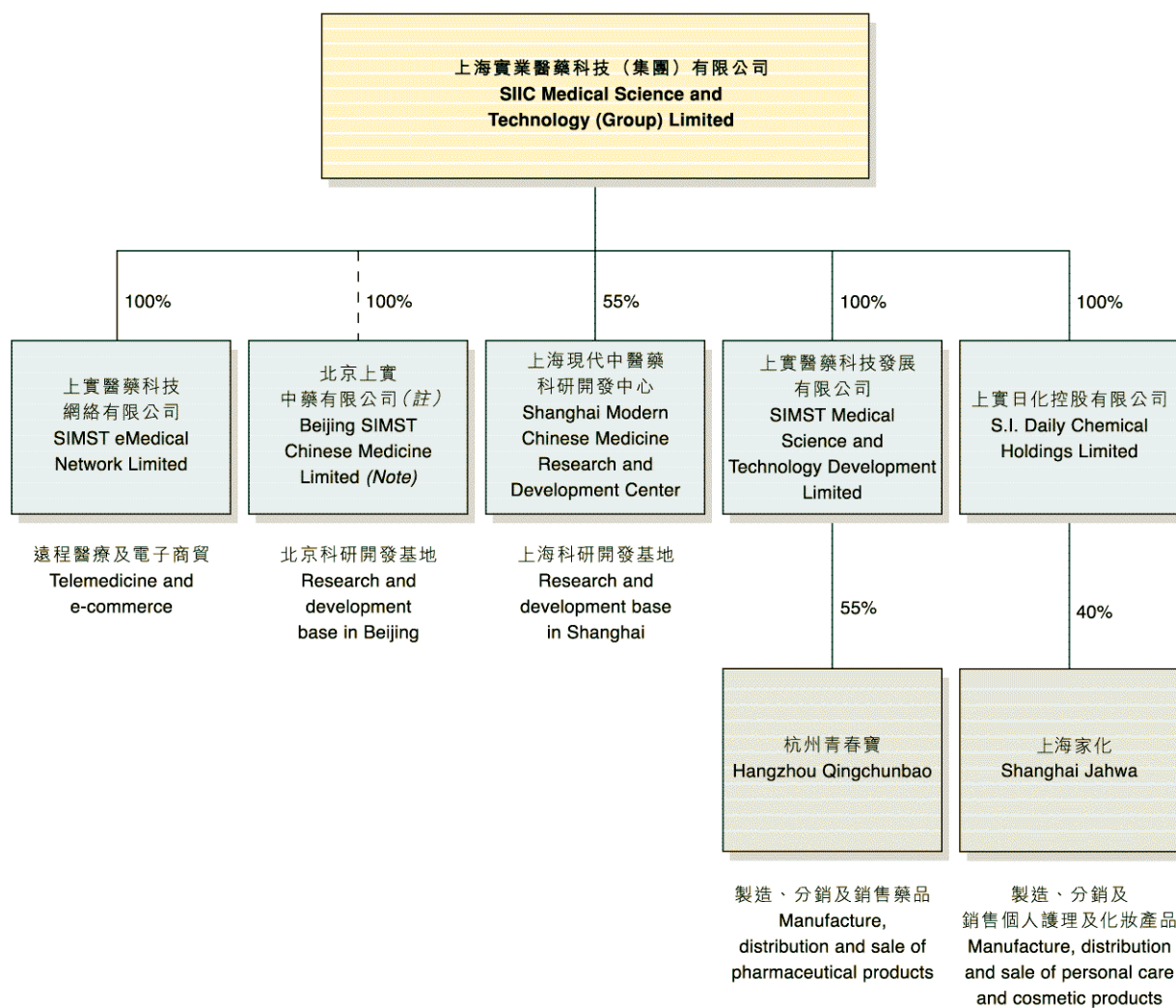
Secretaries Limited
5th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS:

Bank of Communications
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China (*Hangzhou Qingchun Branch*)
Construction Bank of China (*Shanghai Branch*)
Industrial and Commercial Bank of China (*Hangzhou Branch*)
Industrial and Commercial Bank of China (*Shanghai Branch*)

WEBSITE ADDRESS:

www.siicmst.com



註： 公司成立手續在辦理中

Note: Incorporation procedures were in progress

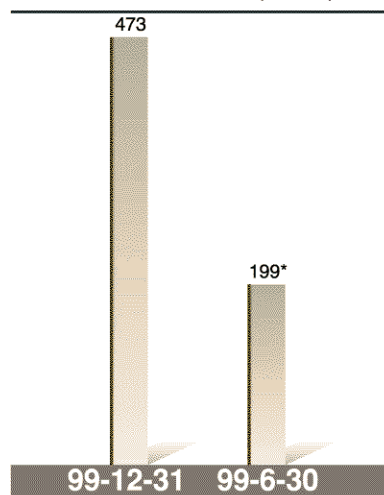


卓福民
董事長

Zhuo Fu Min
Chairman



資產淨值增長 (百萬港元)
Net Asset Value Growth (HK\$m)



* 備考合併
* Pro Forma Combined

上海實業醫藥科技(集團)有限公司(「上實醫藥科技」)是一間以醫藥業務為核心，以現代高新科技為依托的企業，於一九九九年十二月二日正式在香港聯合交易所有限公司(「聯交所」)創業板市場上市。在招股期間，上實醫藥科技受到投資市場熱烈歡迎，於海外配售股份獲得57倍超額認購；而在香港公開發售更獲高達495倍之超額認購。同時，本集團亦邀得四家在聯交所主板市場上市的藍籌股公司——中信泰富有限公司、長江實業(集團)有限公司、和記黃埔有限公司和新鴻基地產發展有限公司，作為上實醫藥科技的策略性投資者。有此成績，本人感到非常鼓舞。本人承諾會帶領上實醫藥科技成為以醫藥為核心，以中藥、生物醫藥為發展兩翼的現代化醫藥集團。

業務回顧

上實醫藥科技上市雖然不足四個月，但當中各項業務發展非常理想，進度比預期為佳。目前，本集團正進入電子商貿業務領域並致力推動遠程醫療業務，為現代醫藥業務注入互聯網的新元素。

正大青春寶藥業有限公司(「杭州青春寶」)

業務發展持續向上，保健品的銷售更創下了歷史性新高水平。針劑車間已完全符合 GMP 之標準並已完成省級藥品管理機構的初驗。開發中的新產品的科研進展亦非常順利，腎康寧薄膜片的國家藥品監督管理局(「藥品管理局」)批文更比預期提前取得。

SIIC Medical Science and Technology (Group) Limited ("SIIC MedTech") is a company with medical science as its core business and modern high technology as its backup. The shares of which were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2nd December, 1999. During the initial public offering, SIIC MedTech was feted by the equity markets with the overseas placement and the Hong Kong public offer being over-subscribed by 57 times and 495 times respectively. At the same time, four blue-chip companies listed on the Main Board of the Stock Exchange, namely CITIC Pacific Limited, Cheung Kong (Holdings) Limited, Hutchison Whampoa Limited and Sun Hung Kai Properties Limited were invited to be strategic investors in SIIC MedTech. I am extremely heartened by these results and the commitment in enabling SIIC MedTech to become a modernised medical conglomerate with medical science as its hub and Chinese medicine and bio-pharmaceutical as its two development arms.

BUSINESS REVIEW

Although SIIC MedTech was listed only for about four months, each of its business objectives is progressing satisfactorily ahead of the expected schedule. The Group is now entering into the horizons of e-commerce and fully devoted in the promotion of telemedicine business which brings about the use of internet in its modernised medical science business.

Chia Tai Qingchunbao Pharmaceutical Co., Ltd. ("Hangzhou Qingchunbao")

The development of this business continues with a growth trend. The sale of health supplement products is scaling a new historical height. The injection workshop has fully complied with GMP standards and completed the first testing of the provincial health bureau pharmaceutical administration. Scientific research of the newly developed products is running smoothly. Shen Kang Ning Coated Tablet has obtained the approval document of the State Pharmaceutical Supervision and Administration of the PRC ("SPSAC") earlier than expected.

上海家化聯合股份有限公司（「上海家化」）

整體業務表現良好，銷售額增長約13%。目前正積極籌備在中國「A」股市場上市，相信二千年內上海家化將會給投資者帶來新面貌。

研究開發基地

現代中藥專家委員會經已成立，成員包括藥用植物專家、藥理專家、植物化學和藥物化學專家、製劑及生產工藝專家及臨床專家。北京及上海科研開發基地的運作已開展。香港科研開發基地亦在落實當中。科研開發之良好基礎是本集團在業務上的一大優勢。

藥品製造

本集團與一間著名的國際製藥公司磋商結盟為旗下幾類產品在中國以外全球市場的銷售代理和產品開發同盟，目前談判進展良好。

網上銷售業務

於本年三月十七日，本集團與一家著名的網上醫藥銷售公司上海醫藥信息股份有限公司就以1,200萬元人民幣的代價認購其百分之二十股權簽訂股份認購協議。該公司已被國家有關部門指定為醫藥電子商貿試點單位之一，是一間從事互聯網醫藥信息服務及電子商貿的企業，業務基礎成熟，去年建網以來已取得了顯著的業績。

本集團會致力推進網上銷售業務，並且計劃將本集團的中醫藥網站與該網站配合推行，充份利用後者成熟的業務優勢。

Shanghai Jahwa Joint-Stock Corporation (“Shanghai Jahwa”)

The overall performance of the business was satisfactory with a growth in sales of approximately 13%. Shanghai Jahwa is presently prepared for its listing on the PRC “A” Share Market which will project a new profile to the investors.

Research and development base

The Modernised Chinese Medicine Experts Committee was formed with experts in medicine botany, pharmacology, botanical chemistry and medicine chemistry, manufacturing and production technology and clinical. The research and development bases in Beijing and Shanghai have launched their operations. The base in Hong Kong is being finalised. A solid foundation in research and development is one of the Group's competitive advantages in its business.

Manufacture of pharmaceutical products

The Group is negotiating with a renown international pharmaceutical manufacturer for the establishment of an alliance as the world-wide sales agent (other than the PRC) for a number of the Group's products and product development. The negotiation is now progressing satisfactorily.

Internet sales business

On 17th March, 2000, the Group entered into a share subscription agreement with Shanghai Medical Information Limited, a renown pharmaceutical internet sales company in respect of its subscription of a 20% equity interest at a consideration of RMB12 million. Shanghai Medical Information is principally engaged in the provision of pharmaceutical information service on internet and in e-commerce, and is one of the pilot units in pharmaceutical e-commerce designated by the relevant state authorities in the PRC. It has a mature business base and achieved outstanding performance since its establishment last year.

The Group will actively pursue its internet sales business and will capitalise on the maturity of that company to promote the Group's

網上銷售業務有效地與本集團現有的業務網絡和銷售隊伍結合，達到相互配合增值的效果。

遠程醫療

於本年二月已與於美國納斯達克市場上市的 Cyber-Care Inc. 就遠程醫護系統的業務簽訂協議備忘錄，標誌著本集團利用高科技開拓醫護業務的第一步。此外，於本年三月，本集團與一間於上海從事遠程醫學，與入網醫院具有良好關係的公司簽訂合作意向書，共同拓展國內遠程醫療業務。這兩個項目的市場焦點不同，在業務上可產生互補作用。

業務策略

「長遠眼光」、「專注本業」和「增長機會」是本集團的長遠發展策略，而董事會已為本集團訂下了二千年的四項主要業務策略：

1. 透過現代中藥專家委員會提供的專業指導，由上海、北京及香港三個科研開發基地等所提供的科研力量開發高水平的藥品及保健品，推動中藥實現現代化；
2. 通過與國際策略夥伴的結盟，集中改善屬下企業生產技術及提高產品質素，推出符合國際質量標準的產品，致力開拓國際市場；
3. 充份利用杭州青春寶及上海家化成熟而穩健的業務基礎和網絡作為後盾，致力發展全方位的銷售業務，特別是電子商貿；及

Chinese medicine e-commerce. Internet sales business will combine effectively with the existing business networks and sales team of the Group to create synergy effect.

Telemedicine

In February this year, the Group signed a memorandum of agreement with Cyber-Care Inc., a U.S. company listed in the Nasdaq Market in respect of the telemedicine business. It was the Group's first step in exploring medicine business through high technology. In addition, the Group has also signed a letter of intent in March this year for the development of the telemedicine business with a company in Shanghai, which is engaged in telemedicine and has good relation with hospitals on the internet. Although the market focus of these two projects are different, they do complement the businesses of each other.

BUSINESS STRATEGY

The long-term development strategies of the Group are "Vision", "Focus" and "Growth". The Board of Directors has defined four principal business strategies for the Group in Year 2000:

1. Develop high level pharmaceutical and health supplement products and promote the modernisation of Chinese medicine through the research capability provided by the three research and development bases in Shanghai, Beijing and Hong Kong under the professional guidance of the Modernised Chinese Medicine Experts Committee;
2. Focus on the upgrade of production technology and enhancement of product quality of the Group companies with the objectives of launching products which meet international quality standards and expanding our international market through joint alliances with international strategic partners;
3. Develop actively a multi-faceted sale business, in particular, the e-commerce business by capitalising fully on the well-developed business foundation and networks of Hangzhou Qingchunbao and Shanghai Jahwa; and

4. 結合本集團業務上的四個優勢 — 科研開發、業務網絡、產品質量、市場經驗，以中藥和生物醫藥為發展兩翼，創造一個高起點、高水平及具規模的現代化醫藥集團。

展望

上實醫藥科技既含有高科技行業增長特色，又擁有穩定盈利基礎的優勢，是成功的把兩者揉合在一起的新結構，給投資者帶來新機會。上實醫藥科技將堅持積極進取發展業務，抓緊高科技業務的發展勢頭，致力開拓互聯網與電子商貿業務，結合本集團在發展醫藥業務的優勢，進而發展成為一間以中國為基地，以醫藥業務為核心，以現代高新科技為依托，以國際主流市場為目標的企業集團。

本集團將繼續透過合併、收購、建立策略聯盟及合營安排來加快業務擴展步伐。本集團將作好一切準備迎接挑戰，創造新業。

藉此機會，本人謹代表董事會感謝各位股東大力支持，並多謝員工上下為實現上實醫藥科技的目標所付出的努力。



卓福民
董事長

香港，二零零零年三月二十日

- Utilise the four competitive advantages of the Group's business — research and development, business network, product quality and market experience to create a high level, high standard and sizeable modernised medical conglomerate with Chinese medicine and bio-pharmaceutical as its two development arms.

PROSPECTS

SIIC MedTech features high tech characteristics and the advantage of a stable profit base. It successfully integrates the two features to form a new structure, creating new opportunities for investors. SIIC MedTech will continue its business development and capitalise on the trend of high technology business with internet and e-commerce as the focuses. It will maximise its competitive advantages in modernised medicine business to develop a PRC based conglomerate facing the international market and having modernised Chinese medicine as its core business and modern high technology as its backup and ultimately to enter into the international mainstream market.

The Group will continue to speed up its pace of expansion through mergers, acquisitions, strategic alliances and joint ventures. The Group is well-prepared to meet any challenges head-on and create new businesses.

On behalf of the Board, I would like to take this opportunity to express my gratitude to the shareholders for their unfailing support and to my colleagues for the endeavours they have made in realising the objectives of SIIC MedTech.

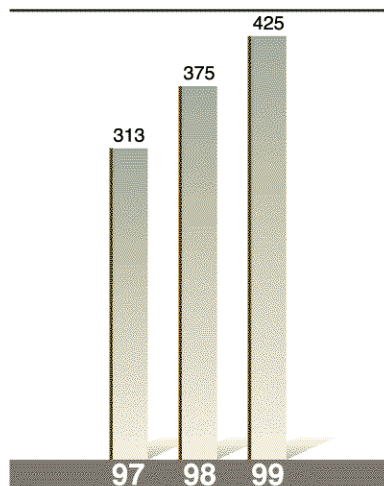


Zhuo Fu Min

Chairman

Hong Kong, 20th March, 2000

1997年至1999年備考合併營業額 (百萬港元)
Pro Forma Combined Turnover
1997-1999 (HK\$m)



財務狀況

董事會欣然宣佈，本集團截至一九九九年十二月三十一日止年度經審核備考合併股東應佔溢利為**71,483,000**港元，較本集團於一九九九年十一月二十三日刊發的售股章程(「售股章程」)所載的溢利預測超逾**19%**。每股盈利為**14.6**港仙。

按售股章程所載，董事會建議不派發自一九九九年九月十七日(成立日)至一九九九年十二月三十一日止期間之末期股息。

業務回顧

杭州青春寶

本期間內，杭州青春寶的銷售和盈利均達到預期，保健品的銷售量更創下了歷史性新高水平，為本集團提供一個穩健的盈利基礎。

市場推廣

於本期間，杭州青春寶通過聯華超級市場(「聯華超市」)的網絡，旋即於上海及上海以外地區額外增加**60**個銷售點，有效地拓展了杭州青春寶產品銷售網絡的規模。

截至本期間止，杭州青春寶共設有**55**個銷售辦事處分佈於全國主要省份。此外，杭州青春寶擁有一隊約有**590**人的高度專業化市場推廣隊伍，當中約有百分之六十為國內的醫務從業者，形成了一個醫療網絡，有助本集團的業務發展。

FINANCIAL POSITION

The Board of Directors is pleased to announce that the audited pro forma combined profit attributable to shareholders of the Group for the year ended 31st December, 1999 was HK\$71,483,000, which exceeded the profit forecast as set out in the prospectus of the Group published on 23rd November, 1999 (the "Prospectus") by over 19%. Earnings per share was HK14.6 cents.

As disclosed in the Prospectus, the Board of Directors resolved not to recommend a final dividend in respect of the period from 17th September, 1999 (date of incorporation) to 31st December, 1999.

BUSINESS REVIEW

Hangzhou Qingchunbao

During the period, the sales and profit of Hangzhou Qingchunbao were in line with expectations. The sales of health supplement products reached a historical height that providing the Group with a sound profit base.

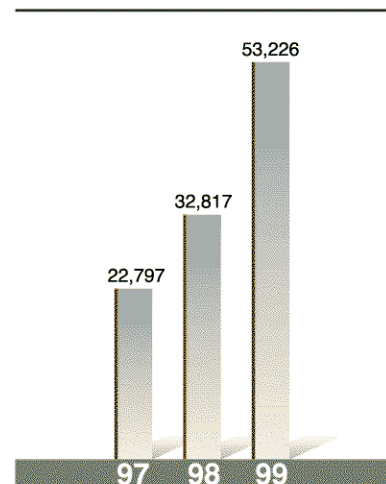
Marketing and promotion

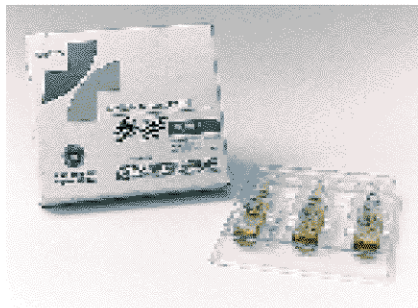
During the period, through the networks of Lian Hua Supermarkets ("Lian Hua"), Hangzhou Qingchunbao was able to increase 60 sales outlets in and outside Shanghai instantaneously. This has effectively expanded the size of the sales networks of Hangzhou Qingchunbao.

As at the period end, Hangzhou Qingchunbao has 55 sales offices located throughout the main provinces of the PRC. In addition, Hangzhou Qingchunbao has a professional marketing team of about 590 persons, 60% of which are domestic medical practitioners which form a medical network and enhance the business development of the Group.



青春實抗衰老片營業額 (港幣千元)
Qingchunbao Anti-ageing
Tablet Turnover (HK\$'000)





研究及開發

在新產品的研究及開發工作方面，杭州青春寶目前在開發中的新產品的科研進展如下：

艾葉油軟膠囊為一種對慢性支氣管炎及支氣管性氣喘有醫療用途的第四類新藥品。有關項目的臨床前研究經已完成；

益胃膠囊擬定為一種對腸胃不適有醫療用途的第四類新藥品。有關項目的臨床前研究經已完成；

利膽排石片為一種有抗膽排石醫療用途的新藥品，已如期取得藥品管理局的批文；

決明降脂片為一種有降低血脂醫療用途的新藥品，已如期取得藥品管理局的批文；及

腎康寧薄膜片為一種對治療慢性腎炎或腎功能受損引起之病徵有醫療用途的新產品，杭州春青寶已於一九九九年十一月取得此新產品藥品管理局的批文，整個審批程序比預期提前完成。

生產及設施

杭州青春寶目前擁有六個生產車間，廠房總面積共92,000平方米。其中西藥片劑及膠囊車間已取得 GMP 認證，而針劑車間亦已於本期間完全符合 GMP 之標準，並已完成省級藥品管理機構的初驗。目前正向藥品管理局申報並待認證。

Research and development

The progress in research and development of the newly developed products by Hangzhou Qingchunbao are as follows:

Chinese Mugwort Leaf Oil Soft Capsule is a category 4 new medicine with the medical application for chronic bronchitis and bronchial asthma. Pre-clinical trial study of this project was completed;

Stomach Recuperation Capsule is a category 4 new medicine with the medical application for gastrointestinal disorders. Pre-clinical trial study of this project was completed;

Anti-cholelithiasis Tablet is a new medicine with the medical application of an anti-cholelithiasis agent. An approval document has been obtained from SPSAC as scheduled;

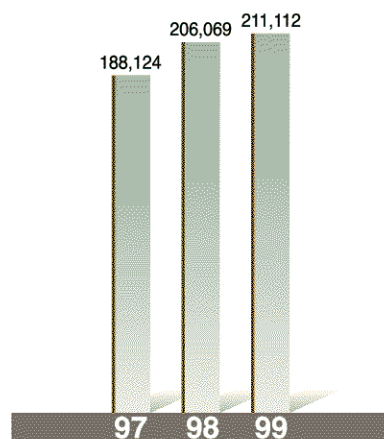
Cassia Seed Lipid Lowering Tablet is a new medicine with the medical application of lowering blood lipid levels. An approval document has been obtained from SPSAC as scheduled; and

Shen Kang Ning Coated Tablet is a new medicine with the medical application of relieving symptoms caused by chronic nephritis or impairment of renal functions. In November 1999, Hangzhou Qingchunbao has obtained the approval document of this new product from SPSAC. The approval process was completed earlier than expected.

Production and facilities

Hangzhou Qingchunbao currently has six production workshops with a total factory area of 92,000 sq.m. The chemical based tablet and capsule workshop has obtained GMP certification and the injection workshop has fully complied with GMP standards and completed the examination of the provincial pharmaceutical administration bureau. Application for approval has been made to SPSAC and it is now awaiting certification.

參麥注射液營業額 (港幣千元)
Shen Mai Injection Turnover (HK\$'000)





上海家化

本期間內，上海家化整體業務表現良好，銷售額比去年增長約13%。展望二千年，上海家化的工作目標將以提高營運質量為前提、擴大經營規模，重點發展產品和品牌的創意和特點。

於一九九九年，上海家化不斷推出新產品及致力於新技術的開發。於二千年，上海家化將致力在「六神」、「佰草集」及「清妃」的 Cocool 系列等品牌上謀求突破。

考慮到個人護理用品及化妝品業務的其中一個最主要的成功關鍵是新產品的開發和研製，上海家化正計劃建造新科研中心，以進一步加強其與外國企業的競爭能力。

此外，上海家化現正籌備在中國「A」股市場上市，有關的重組工作仍在進行中。視乎市況而定，目標為於本年度內將上海家化股份在中國「A」股市場上市。

研究開發基地

於本期間內，本集團已抓緊建立研究開發基地的步伐，整體上發展進度比預期為佳。

於一九九九年十二月十七日與上海中醫藥大學就成立「上海現代中醫藥科研開發中心」，開發以中藥為本之新藥及新療法簽訂了合營企業合同及章程。於本期間內，本集團已開始對上海中醫藥大學現有之研究及開發的其中六個新藥項目進行評

Shanghai Jahwa

During the period, the overall business performance of Shanghai Jahwa was satisfactory, with an increase in sales of approximately 13% over the previous year. Looking ahead, the operating targets of Shanghai Jahwa are to upgrade the operating quality and to expand the operating scale with a focus on the specialty and branding of the products.

In 1999, Shanghai Jahwa has continually been introducing new products and placing its efforts in developing new technology. In 2000, Shanghai Jahwa will concentrate on the product development of “Liushen”, “Herborist” and Cocool of “Chinf de Chinf”.

One of the critical success factors in the personal healthcare products and cosmetics is research and development of new products. Shanghai Jahwa is contemplating to establish a new research centre in order to strengthen its competitiveness against foreign enterprises.

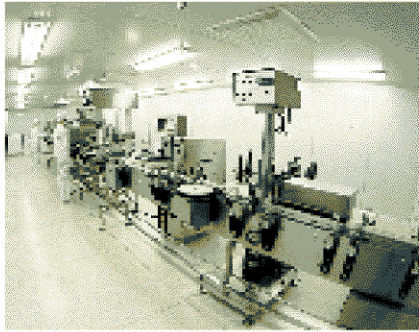
Besides, Shanghai Jahwa is presently preparing for its listing on the PRC “A” Share Market. The related reorganisation is still in progress. Depending on the market condition, it is targeted that the shares of Shanghai Jahwa shall be listed in the PRC “A” Share Market within this year.

Research and development base

During the period, the Group has accelerated the establishment of the research and development bases. The overall progress is better than expected.

On 17th December, 1999, the Group and Shanghai University of Traditional Chinese Medicine (“SUTCM”) signed a joint venture contract and an articles of association in respect of the establishment of “Shanghai Modern Chinese Medicine Research and Development Center” for the development of new medicine and new treatments using modernised Chinese medicine. The Group is





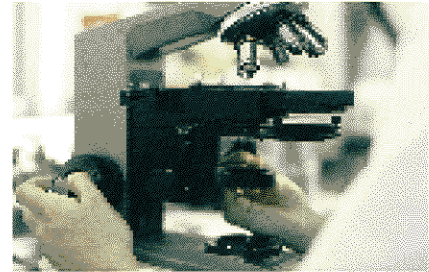
估。該等項目當中有些已具備商業化生產的條件而且科研開發進程亦較為成熟。本集團會就有關研究成果能否作為商業用途、有關產品的市場競爭情況及利潤的預測等標準作全面評估。

於一九九九年十一月二十六日與北京中醫藥大學簽訂了合作意向書。根據該意向書，北京中醫藥大學同意向本集團提供科研開發的設施、設備和科研人員。本集團並擁有以優惠的價格優先購買北京中醫藥大學的成果。北京科研開發基地致力研究及開發國家二類新藥及調整人體機能不平衡，尤其以老年病為主攻方向之保健產品。

同時，於本期間內，本集團已與香港有關大學就設立擁有測試及分析設施的中醫藥科研開發中心的可行性進行磋商，現尚在洽談階段。為利於將來業務拓展，有關計劃的進度和發展將配合香港特別行政區（「香港特區」）政府實施之政策及時間。

此外，為提高本集團的科研開發水平，於本年二月中已正式成立現代中藥專家委員會，作為本集團在科研開發上的論證諮詢機構。

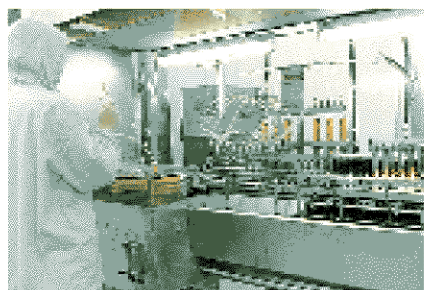
now assessing six of the new medicine projects presently under research and development by SUTCM. Some of these projects possess conditions for commercial production and their progresses in research and development are comparatively mature. The Group will assess the projects from the perspectives of their capability of commercial applications, market competition of the products and profit forecasts etc.



On 26th November, 1999, a letter of intent was entered into with Beijing University of Traditional Chinese Medicine (“BUTCM”). Pursuant to the letter of intent, BUTCM agreed to provide facilities, equipment and researchers for the Group. The Group also has the right to acquire the findings of BUTCM at preferential prices. Beijing research and development base will be devoted in the research and development of state category 2 new medicine as well as health supplement products for harmonising human functional disequilibrium, in particular, with senile diseases as the main thrust.

During the period, the Group has discussed with several universities in Hong Kong regarding the feasibility of setting up a modernised Chinese medicine research and development centre with testing and analysis facilities. The progress and development of the centre will adhere to the policies implemented by the Government of the Hong Kong Special Administrative Region (“HKSAR”) and the timetable for its implementation in order to facilitate future development.

In addition, in order to enhance the research and development capability, in February this year, the Group has established the Modernised Chinese Medicine Experts Committee which acts as consultant of the Group on research and development.



專家委員會目前共有委員九人，包括藥用植物專家、藥理專家、植物化學和藥物化學專家、製劑及生產工藝專家及臨床專家，涵蓋了現代中藥產業的幾個主要環節。現代中藥專家委員會的成立有助實現中藥進入國際主流市場的目標，亦為本集團的科研開發基地提供了強大的科研力量。

藥品製造

在香港設立生產基地

就計劃在香港設立生產基地事宜，已與香港特區工業署人員進行多次會面，探討有關計劃的佈置和可行性。有需要時，本集團將根據香港特區政府對發展中藥行業的政策而將計劃作策略性的改動。

與著名中藥企業成立合營企業

於本期間，本集團曾透過中介機構物色一些著名的中藥企業磋商業務上的合營安排，到目前為止，尚未達成任何協議。本集團將繼續物色及審核合適之合營夥伴，以加快本集團業務的發展步伐。

與國際製藥公司結盟

本集團和下屬公司現正與一間著名的國際製藥公司就結盟作為旗下幾類產品在中國以外市場的銷售代理和產品開發同盟進行磋商，目前進展良好。本集團將致力拓展其他的國際合作。

Presently, the Experts Committee has nine committee members, including experts in medicine botany, pharmacology, botanical chemistry and medicine chemistry, manufacturing and production technology, and clinical which cover several important elements of the modernised Chinese medicine industry. The establishment of the Modernised Chinese Medicine Experts Committee not only assists in the realisation of the target of bringing modernised Chinese medicine into the international mainstream markets, but also provides a strong support to the Group's research and development bases.



Manufacture of pharmaceutical products

Establishment of a production base in Hong Kong

Meetings with Industry Department of the HKSAR in respect of the planning and the feasibility of the establishment of a production base in Hong Kong were held. The Group will make strategic changes, when required, to the plan in line with the policies adopted by the Government of HKSAR in the development of the Chinese medicine industry.

Establishment of joint venture with reputable Chinese medicine enterprises

During the period, attempts were made through intermediaries to locate certain reputable Chinese medicine enterprises as joint venture candidates. No agreement has been reached as of this date. The Group will continue to identify and assess suitable joint venture partners in order to accelerate the pace of development of the Group's business.

Joint alliance with international pharmaceutical company

The Group and its subsidiaries are presently negotiating with a renown international pharmaceutical company in respect of a joint alliance as the worldwide sales agent (other than the PRC) for a number of the Group's products and product development. The progress is satisfactory. The Group will actively explore other international cooperation.



網上銷售及市場推廣

電子商務

為抓緊電子商務發展的商機，本集團正進入電子商貿業務領域，形成一個現代化的銷售體系。於本年三月十七日，本集團與一家著名的網上醫藥銷售公司上海醫藥信息股份有限公司就以1,200萬元人民幣的代價認購其百分之二十股權簽訂股份認購協議。該公司已被國家有關部門指定為醫藥電子商貿試點單位之一，是一間從事互聯網醫藥信息服務及電子商務的企業，業務基礎成熟，去年建網以來已取得了顯著的業績。

本集團會致力推進網上銷售業務，並且計劃將本集團的中醫藥網站與該網站配合推行，充份利用後者成熟的業務優勢。網上銷售業務有效地與本集團現有的業務網絡和銷售隊伍結合，達到相互配合增值的效果。

擴展及鞏固中國分銷網絡

於本期間，本集團已與一間從事中藥分銷業務的收購目標進行初步磋商，並已對該公司的業務表現和發展進行調研。本集團將抓緊與收購目標的談判進度，希望於本年度內落實有關收購項目。

Internet sales and marketing

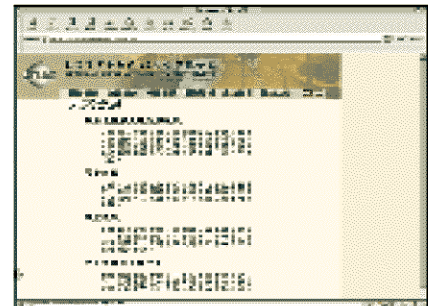
E-commerce

In order to capitalise on the business opportunities in developing e-commerce, the Group entered into the e-commerce business horizon to form a modernised sales structure. On 17th March, 2000, the Group entered into a share subscription agreement with Shanghai Medical Information Limited, a renown pharmaceutical internet sales company in respect of its subscription of a 20% equity interest at a consideration of RMB12 million. It is principally engaged in the provision of pharmaceutical information service on internet and in e-commerce and is one of the pilot units in pharmaceutical e-commerce designated by the relevant state authorities in the PRC. Shanghai Medical Information has a mature business base and achieved outstanding performance since its establishment last year.

The Group will actively pursue its internet sales business and will capitalise on the maturity of that company to promote the Group's Chinese medicine e-commerce. Internet sales business will combine effectively with the existing business networks and sales team of the Group to create synergy effect.

Expansion and consolidation of the distribution network in the PRC

During the period, the Group has conducted initial negotiations with an acquisition target, which is engaged in the Chinese medicine distribution business, and performed investigation and research on its business performance and development. The Group will closely monitor the progress of negotiations with the acquisition target. It is hoped that the acquisition could be concluded during the year.





櫃位銷售

於本期間，本集團除了利用聯華超市的網絡作為銷售渠道外，亦與聯華超市磋商擴展本集團以櫃位形式銷售之分銷能力。有關安排有助於本集團產品的市場推廣及銷售。

中醫藥專科診療中心

於本期間後，本集團曾先後與香港及國內有關方面就於本港成立中醫藥專科診療中心的可行性進行磋商。現階段正積極就市場的供求和定位以及診療中心的業務目標及運作模式作較深入的研究和探討。

遠程醫療

本集團於二零零零年二月十八日與於美國納斯達克市場上市的 **Cyber-Care, Inc.** (「**CYBER**」) 訂立協議備忘錄。該備忘錄的主要內容為由本集團及 **CYBER** 組成一合營公司，旨在於日本、台灣、印度、澳洲及新西蘭以外之亞洲地區獨家提供 **Cyber-Care Electronic Housecall System** (「該系統」) 之市場推廣、應用及服務。此外，本集團亦擁有該系統的生產權。目前，本集團正積極與 **CYBER** 進一步磋商合作細節及草擬正式協議。亞洲區內單是中國，已擁有超過十二億人口，隨着人口逐漸老化及對醫療服務的要求日漸增加，該系統的潛在市場非常龐大，發展潛力驚人。同時，遠程醫護網絡將有助於本集團對中藥產品的推廣。本集團現正積極加快落實有關正式協議的步伐。與 **CYBER** 的合作標誌著本集團利用高新科技開拓醫護業務的第一步。

Counter sales

Apart from utilising the networks of Lian Hua as sales channels, during the period, the Group has also negotiated with Lian Hua to expand the Group's over the counter distribution capability. The said arrangement will assist the marketing and sales of the Group's products.

Chinese medicine specialist clinic

After the period end, the Group has conducted negotiations with the relevant authorities in Hong Kong and the PRC in respect of the feasibility of setting up a Chinese medicine specialist clinic in Hong Kong. The Group is making in-depth research and review of the market demand, the business objectives and the set up of the clinic.

Telemedicine

On 18th February, 2000, the Group signed a memorandum of agreement with Cyber-Care Inc., a U.S. company listed in the Nasdaq Market ("CYBER") in respect of the establishment of a joint venture between the Group and CYBER, which seeks to provide marketing, application and service of Cyber-Care Electronic Housecall System (the "System") on an exclusive basis to the territories in Asia other than Japan, Taiwan, India, Australia and New Zealand. Besides, the Group also possess the production right for the System. At present, the Group is negotiating with CYBER in respect of the details of cooperation and the drafting of the definitive agreements. In the Asian region, the PRC has more than 1.2 billion of population. With the ageing population and the growing demand for medicare services, the market potential of the System is enormous. The telemedicare network is also beneficial to the promotion of modernised Chinese medicine by the Group. The Group is now finalising the definitive agreements. The cooperation with CYBER was the Group's first step in exploring medicare business through high technology.

此外，於本年三月，本集團與一間於上海從事遠程醫學，與入網醫院具有良好關係的公司簽訂合作意向書，共同拓展國內遠程醫療業務。這兩個項目的市場焦點不同，在業務上可產生互補作用。

In addition, the Group has also signed a letter of intent in March this year for the development of the telemedicine business with a company in Shanghai, which is engaged in telemedicine and has good relation with hospitals on the internet. Although the market focus of these two projects are different, they do complement the businesses of each other.

業務進度比較

業務範圍	業務目標	根據售股章程所述 一九九九年第四季 的業務目標	截至一九九九年第四季 的實際業務進度
杭州青春寶	主要產品銷售量之 業務目標：		
	1. 參麥注射液 (10ml)	3,771千支	3,823千支
	2. 養胃沖劑 (15gx6)	1,566千盒	1,359千盒
	3. 尿感寧沖劑 (15gx6)	439千盒	434千盒
	4. 清熱靈沖劑 (15gx6)	278千盒	317千盒
	5. 青春寶抗衰老片 (80片)	852千瓶	1,467千瓶
	市場推廣渠道發展	醫院、診所及藥品分銷商將 仍為中成藥及保健品之主要 市場推廣渠道。此外，杭州 青春寶計劃繼續進行磋商， 以與中國其他連鎖式超級市 場訂立安排，發展另一市場 推廣渠道。	仍以醫院、診所及藥品分銷 商作為中成藥及保健品之主 要市場推廣渠道。於本期 間，杭州青春寶通過聯華超 市的網絡，旋即於上海及上 海以外地區額外增加60個 銷售點。

COMPARISON OF BUSINESS PROGRESS

Business scope	Business objective	Business objective of the 4th quarter of 1999 as disclosed in the Prospectus	Actual business progress up to the 4th quarter of 1999
Hangzhou Qingchunbao	Business objective on sales of principal products:		
	1. Shen Mai Injection (10ml)	3,771,000 vials	3,823,000 vials
	2. Stomach Recuperation Granules (15gx6)	1,566,000 boxes	1,359,000 boxes
	3. Granules Niaoganning (15gx6)	439,000 boxes	434,000 boxes
	4. Granules Qingreling (15gx6)	278,000 boxes	317,000 boxes
	5. Qingchunbao Anti-ageing Tablet (80 tablets)	852,000 bottles	1,467,000 bottles
	Development of marketing channels	Hospitals, clinics and drug distributors will remain the principal marketing channels for Chinese patent medicine and health supplement products. In addition, Hangzhou Qingchunbao plans to continue negotiations with a view to entering into arrangements with other supermarket chains in the PRC to develop additional marketing channels.	Hospital, clinics and drug distributors remained the principal marketing channels for Chinese patent medicine and health supplement products. During this period, through the networks of Lian Hua, Hangzhou Qingchunbao was able to increase 60 sales outlets in and outside Shanghai instantaneously.

業務範圍	業務目標	根據售股章程所述 一九九九年第四季 的業務目標	截至一九九九年第四季 的實際業務進度
		杭州青春寶將維持現有之 55個銷售辦事處，而市場 推廣人員則合共約為590 人。	與售股章程內所述的業務目 標一致。
	生產及設施之業務目標：		
	1. 廠房	位於浙江省杭州市，總建築 面積約為92,000平方米。	與售股章程內所述的業務目 標一致。
	2. 符合 GMP 之狀況	針劑車間完全符合 GMP 標 準。	針劑車間已完全符合 GMP 之標準並已完成省級藥品管 理機構的初驗。
	研究及開發工作之業務 目標：		
	1. 艾葉油軟膠囊	完成臨床試驗前之研究。	有關的臨床試驗前之研究已 完成。
	2. 益胃膠囊	完成臨床試驗前之研究。	有關的臨床試驗前之研究已 完成。
	3. 利膽排石片	取得藥品管理局批文。	已取得藥品管理局批文。
	4. 決明降脂片	取得藥品管理局批文。	已取得藥品管理局批文。

Business scope	Business objective	Business objective of the 4th quarter of 1999 as disclosed in the Prospectus	Actual business progress up to the 4th quarter of 1999
	Business objective on production and facilities:	Hangzhou Qingchunbao will maintain the existing 55 sales offices. The marketing team will have a total staff number of about 590.	Consistent with the business objective described in the Prospectus.
	1. Premises	Located in Hangzhou, Zhejiang Province with a gross floor area of about 92,000 sq.m.	Consistent with the business objective described in the Prospectus.
	2. Status of GMP compliance	Injection workshop in full compliance with GMP standards.	Injection workshop fully complied with GMP standards and completed the initial testing of the provincial health bureau pharmaceutical administration.
	Business objective on research and development:		
	1. Chinese Mugwort Leaf Oil Soft Capsule	Complete pre-clinical trial study.	Completed the pre-clinical trial study.
	2. Stomach Recuperation Capsule	Complete pre-clinical trial study.	Completed the pre-clinical trial study.
	3. Anti-cholelithiasis Tablet	Obtain SPSAC approval.	Obtained SPSAC approval.
	4. Cassia Seed Lipid Lowering Tablet	Obtain SPSAC approval.	Obtained SPSAC approval.

業務範圍	業務目標	根據售股章程所述 一九九九年第四季 的業務目標	截至一九九九年第四季 的實際業務進度
	5. 腎康寧薄膜片		已於一九九九年十一月份取得藥品管理局批文，整個審批程序比預期提前完成。
	6. 低糖雙寶素口服液	開始療效測試。	療效測試正在進行中。
科研開發基地	上海科研開發基地	與上海中醫藥大學訂立安排。 繼續就合營企業之詳細條款進行磋商。 開始對上海中醫藥大學現有之研究及開發項目進行評估。	已與上海中醫藥大學就成立「上海現代中醫藥科研開發中心」簽訂了合營企業合同及章程。並且已開始對上海中醫藥大學現有之研究及開發的其中六個新藥項目進行評估。
	北京科研開發基地	與傳統中藥機構及專家進行初步磋商，以在北京成立研究及開發合營企業。	北京科研基地的初步發展策略已定，並已與北京中醫藥大學簽訂了合作意向書。

Business scope	Business objective	Business objective of the 4th quarter of 1999 as disclosed in the Prospectus	Actual business progress up to the 4th quarter of 1999
	5. Shen Kang Ning Coated Tablet		Obtained SPSAC approval in November 1999. The whole approval procedure was completed earlier than expected.
	6. Shuangbaosu Oral Tonic (Low sugar formula)	Began functional test.	Functional test was in progress.
Research and development base	Shanghai research and development base	Arrangement made with SUTCM.	Signed a joint venture contract and an articles of association with SUTCM in respect of the establishment of "Shanghai Modern Chinese Medicine Research and Development Center". Commenced assessment of six of the new medicine projects presently under research and development by SUTCM.
		Continue to negotiate on detailed terms of the joint venture.	
		Commence evaluation of the existing research and development projects of SUTCM.	
	Beijing research and development base	Preliminary discussions with traditional Chinese medicine institutes and experts to establish a research and development joint venture in Beijing.	Initial development strategies of Beijing research and development base were established and a letter of intent was signed with BUTCM.

業務範圍	業務目標	根據售股章程所述 一九九九年第四季 的業務目標	截至一九九九年第四季 的實際業務進度
	香港科研開發基地	與香港研究機構進行初步磋商。	就設立擁有測試及分析設施的中醫藥科研開發中心的可行性進行磋商，現尚在洽談階段。
藥品製造	在香港設立生產基地	就成立生產基地繼續進行可行性研究。	就成立生產基地已與香港特區工業署人員會面，現仍在檢討有關計劃的可行性。
	與著名中藥企業成立合營企業	就與著名中藥企業成立合營企業繼續物色及審核合適之合營夥伴。	於本期間曾透過中介機構物色一些著名中藥企業磋商業務上的合營安排。
	與國際製藥公司結盟	繼續與國際製藥公司進行初步磋商。	已與一間著名的國際製藥公司就結盟作為旗下幾類產品在中國以外全球市場的銷售代理和產品開發同盟進行磋商。
市場推廣及銷售	擴展及鞏固中國分銷網絡	與收購目標進行初步磋商。	與售股章程內所述的業務目標一致。

Business scope	Business objective	Business objective of the 4th quarter of 1999 as disclosed in the Prospectus	Actual business progress up to the 4th quarter of 1999
	Hong Kong research and development base	Preliminary discussions with research institutes in Hong Kong.	Discussions on the feasibility of establishing a Chinese medicine research and development centre with testing and analysis facilities were in progress.
Production of pharmaceutical products	Establishment of a production base in Hong Kong	Continue feasibility study in respect of the establishment of a production base.	Meetings with Industry Department of the HKSAR were held. The feasibility of the plan was under review.
	Establishment of joint venture with reputable Chinese medicine enterprises	Continue to locate and review potential suitable joint venture candidates.	Attempts were made through intermediaries to locate certain reputable Chinese medicine enterprises as joint venture candidates.
	Alliance with international pharmaceutical companies	Continue preliminary negotiations with international pharmaceutical company.	Negotiation with a well-known international pharmaceutical company in respect of a joint alliance as the worldwide sales agent (other than the PRC) of a number of the Group's products and product development was in progress.
Marketing and sales	Expand and strengthen its distribution network in the PRC	Conduct preliminary negotiation with target.	Consistent with business objective described in the Prospectus.

業務範圍	業務目標	根據售股章程所述 一九九九年第四季 的業務目標	截至一九九九年第四季 的實際業務進度
	電子商務	進行初步評估。	為抓緊電子商務發展的商機，本集團已積極於大上海地區設立首個網站。
	櫃位銷售	繼續與聯華超市進行磋商，以擴展本集團櫃位銷售之分銷能力。	與售股章程內所述的業務目標一致。

發行新股所得款項淨額及／或其他資金之款項用途

業務範圍	項目	根據售股章程所述 一九九九年第四季 使用款項	截至一九九九年第四季 的實際使用款項
科研開發基地	上海科研開發基地	2,000,000港元	無
	北京科研開發基地	500,000港元	約374,000港元
	香港科研開發基地	無	無
市場推廣及銷售	電子商務	無	無
	櫃位銷售	無	無
中醫藥專科 診療中心		無	無

Business scope	Business objective	Business objective of the 4th quarter of 1999 as disclosed in the Prospectus	Actual business progress up to the 4th quarter of 1999
	E-commerce	Conduct preliminary evaluation.	The establishment of the first website in Greater Shanghai area to capitalise on the opportunity for e-commerce business was in progress.
	Over-the-counter sales	Continue negotiation with Lian Hua to expand the Group's over the counter distribution power.	Consistent with business objective described in the Prospectus.

USE OF NET PROCEEDS FROM THE ISSUING OF THE NEW SHARES AND/OR FROM OTHER RESOURCES

Business scope	Project	Amount used in the 4th quarter of 1999 as disclosed in the Prospectus	Actual amount used up to the 4th quarter of 1999
Research and development base	Shanghai research and development base	HK\$2,000,000	Nil
	Beijing research and development base	HK\$500,000	approximately HK\$374,000
	Hong Kong research and development base	Nil	Nil
Marketing and sales	E-commerce	Nil	Nil
	Over-the-counter sales	Nil	Nil
Chinese medicine clinical centre		Nil	Nil

集團人力資源政策

本集團深信企業的成功有賴於全體僱員群策群力、自強不息及勇於開創的奮鬥精神，故對於人力資源的管理非常重視。本集團除了為僱員提供具競爭力的薪酬和福利條件外，同時非常注意僱員的個人發展。本集團已先後舉行多項僱員培訓及康樂活動，希望藉此能加強公司與僱員之間的溝通和提高員工的歸屬感。

此外，於二零零零年一月，本公司授出第一批購股期權予全體員工，希望藉此激發員工的鬥志和士氣，鼓勵員工提升工作表現。

集團內部制度

為配合業務發展的步伐，以及更好地抓緊對下屬企業內部管理的工作，本集團制定了一套內部管理制度，包括：上交利潤制度、預算管理制度、借貸及擔保規定、財務匯報程序等，以保持相互間的溝通，確保下屬企業運作符合本公司整體經營目標。

審核委員會

本公司已根據香港會計師公會編撰之「成立審核委員會指引」成立審核委員會，其主要職責為審閱並監察本集團之財務匯報程序及內部控制制度。審核委員會現由李家祥先生、郭勤功先生及李嘉士先生組成，而李家祥先生為審核委員會之主席。

HUMAN RESOURCES POLICY

The Group believes that the success of an enterprise is attributable to its team spirit, the contribution of all its staff members and their devotion to the Group. Therefore, the Group is very attentive to the human resources management. The Group not only offers competitive remuneration packages but also concerns about the personal development of its staff members. Staff trainings and recreational activities were held by the Group with the objectives to strengthen the communications between the Group and its staff members, and to increase their sense of belonging with the Group.

In addition, in January 2000, the Group granted the first tranche of share options to all its staff members in order to motivate and encourage them to do their best.

INTERNAL MANAGEMENT POLICIES

To cope with the pace of development of the Group and in order to maintain a better control over the internal management of the member companies, the Group has compiled a set of internal management policies, including profit distribution policy, budgetary management policy, rules on credit and guarantee controls, financial reporting procedures, etc., which can aid to maintain a channel of communication and to ensure that the businesses of the member companies are in line with the overall operating objectives of the Company.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the guidelines set out in “A Guide for the Formation of an Audit Committee” prepared by the Hong Kong Society of Accountants. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises Messrs. Li Ka Cheung, Eric, Kwok Chin Kung, Robert and Lee Ka Sze, Carmelo with Mr. Li Ka Cheung, Eric as committee chairman.

第一次審核委員會會議已於一九九九年十二月十七日召開，於該會上主要省覽本集團的各項財務匯報程序及內部管理制度，並就一九九九年度的審計工作計劃的範圍和性質作討論。第二次審核委員會會議亦已於二零零零年三月九日召開，於該會上主要就本集團由一九九九年九月十七日(成立日)至一九九九年十二月三十一日止期間之業績及財務狀況、主要會計及審計事項等作討論。

公元二千年電腦問題

本集團之電腦系統已於去年安全過渡公元二千年，並按預定計劃，如期完成測試本公司、杭州青春寶、上海家化及其銷售辦事處之所有設備、軟硬件之修改、更換及升級工作。

董事會將會繼續關注本集團電腦系統之運作，以確保生產和經營業績不會因公元二千年問題而受影響。董事會深信公元二千年問題不會對本集團之營運產生任何重大影響。

In the first meeting of the audit committee held on 17th December, 1999, an overview of all financial reporting procedures and internal control system of the Group, and the scope and nature of the 1999 audit plan were discussed. In the second meeting of the audit committee held on 9th March, 2000, the results and financial position, major accounting and auditing issues of the Group for the period from 17th September, 1999 (date of incorporation) to 31st December, 1999 were discussed.

YEAR 2000 COMPLIANCE

The Group's computer system was proved Year 2000 compliant safely. Testings of the modifications, replacements and upgrades of all equipment, hardware and software of the Company, Hangzhou Qingchunbao, Shanghai Jahwa and their sales offices were completed ahead of its expected schedules.

The Board of Directors will closely monitor the Group's computer system to ensure that the production and operation of the Group will not be affected by the Year 2000 computer issue. The Board of Directors believes that the Year 2000 computer issue will have no material impact on the operations of the Group.

董事

執行董事

卓福民先生，48歲，本集團董事長、上海實業控股有限公司（「上實控股」）行政總裁及上海實業（集團）有限公司（「上實集團」）之執行董事及副總裁、兼任南洋兄弟煙草股份有限公司董事長、杭州青春寶董事長、上海三維生物技術有限公司董事長及上海東方商廈有限公司董事長等。彼畢業於上海交通大學機電分校管理系企業管理專業，後又獲復旦大學經濟學碩士學位。彼在工廠、公司工作達二十二年，在政府機關工作達十年。曾任上海市體改委助理主任等職。彼在股份公司運作及企業管理方面積逾二十二年經驗。

馮根生先生，65歲，本集團副董事長、杭州青春寶副董事長兼總經理、中國（杭州）青春寶集團公司（「中國青春寶」）董事長及杭州胡慶餘堂有限公司董事長。彼獲授高級經濟師職稱及執業藥師資格。一九七二年開始任杭州第二中藥廠廠長。在製藥業務方面積逾五十一年經驗，曾榮獲全國首屆優秀企業家稱號。

厲偉達先生，52歲，本集團董事總經理、上實控股副行政總裁及上海上實集團有限公司（「上海上實」）董事，兼任上實控股上海代表處首席代表、上海家化副董事長、上海光通信發展股份有限公司董事長、上海實業交通電器有限公司副董事長、上海三維製藥有限公司副董事長等職。彼畢業於上海市第二工業大學，持有自動控制專業學位。曾任上海軸承公司副總經理，在工業企業管理方面積逾三十年經驗。

DIRECTORS

Executive Directors

Mr. Zhuo Fu Min, aged 48, is the chairman of the Group, the chief executive officer of Shanghai Industrial Holdings Ltd. (“SIHL”), and an executive director and vice president of Shanghai Industrial Investment (Holdings) Co., Ltd. (“SIIC”). He is also the chairman of Nanyang Brothers Tobacco Co., Ltd., Hangzhou Qingchunbao, Shanghai Sunway Biotech Co., Ltd. and Shanghai Orient Shopping Centre Ltd. He graduated from Shanghai Jiaotong University’s Electrical Engineering School with a degree in enterprise management. Mr. Zhuo also holds a master’s degree in economics conferred by Fudan University. He has 22 years of working experience in factory and enterprise management and has 10 years of working experience in government authorities. Mr. Zhuo previously held the post of assistant director of the Shanghai Municipal Economic System Reform Committee. Mr. Zhuo has more than 22 years of experience in managing joint stock companies and corporate management.

Mr. Feng Gen Sheng, aged 65, is the vice chairman of the Group, the vice chairman and the general manager of Hangzhou Qingchunbao, the chairman of China (Hangzhou) Qingchunbao Group Co. (“China Qingchunbao”), the chairman of Hangzhou Huqingyu Tang Co. Ltd. Mr. Feng was accredited as senior economist and certified pharmacist. He began to assume office as the factory manager of Hangzhou No. 2 Chinese Medicine Factory in 1972. He has over 51 years of experience in pharmaceutical business and was awarded as Excellent Entrepreneur of the State (全國首屆優秀企業家).

Mr. Li Wei Da, aged 52, is the managing director of the Group, the deputy chief executive officer of SIHL and a director of SIIC Shanghai Holdings Co., Ltd. (“SIIC Shanghai”). He is also the chief representative of SIHL’s Shanghai Representative Office, the vice chairman of Shanghai Jahwa, the chairman of Shanghai Optical Communications Development Co., Ltd., the vice chairman of Shanghai SIIC Transportation Electric Co., Ltd. and Shanghai Sunve Pharmaceutical Co., Ltd. He graduated from Shanghai Second Polytechnical University with a degree in auto control. Mr. Li was previously the deputy general manager of Shanghai Bearing Limited. He has over 30 years of experience in industrial enterprise management.

陳樹滋先生，52歲，本集團副董事總經理。陳先生於一九九八年十月加入上海上實任職企業管理部總經理。彼畢業於復旦大學，持有經濟管理碩士學位，曾任上海輪胎橡膠(集團)股份有限公司董事及副總經理，在企業管理方面富有豐富經驗。

葛文耀先生，53歲，本集團執行董事、上實控股執行董事及上海家化董事長。彼畢業於上海財經大學工業經濟專業，獲企業管理碩士學位。曾任上海家用化學品廠廠長兼上海日用化學公司副總經理。彼在化妝品行業管理方面積逾二十二年經驗。

鄔健莊先生，53歲，本集團執行董事。鄔先生畢業於華東師範大學，持有經濟碩士學位，曾任上海市牛奶公司及上海市農業投資總公司總經理，在企業行政管理方面積逾二十五年經驗。

獨立非執行董事

郭勤功先生，61歲，特許會計師，於一九六四年加入怡和集團。彼現時兼任怡和有限公司、牛奶國際集團有限公司、置地集團有限公司、怡和國際汽車控股有限公司、怡和控股有限公司、怡和策略控股有限公司及文華國際有限公司之董事。

李家祥先生，46歲，B.A. (Econ) Hon., FHKSA, FCA, FCIS, OBE, 太平紳士。李先生為李湯陳會計師事務所高級合夥人，執業會計師，並為數碼通電訊集團有限公司、九龍巴士控股有限公司、王氏國際(控股)有限公司、中國航空技術國際控

Mr. Chen Shu Zi, aged 52, is the deputy managing director of the Group. Mr. Chen joined SIIC Shanghai as general manager of the enterprise management department in October 1998. He graduated from Fudan University with a master degree in economics and management. Mr. Chen was previously a director and deputy general manager of 上海輪胎橡膠(集團)股份有限公司 (Shanghai Rubber Tyre (Group) Limited). He has extensive working experience in corporate management.

Mr. Ge Wen Yao, aged 53, is an executive director of the Group, an executive director of SIHL and the chairman of Shanghai Jahwa. He graduated from Shanghai Finance and Economics University with a major in economics, and a master's degree in enterprise management. He was the factory director of Shanghai Daily Chemicals Factory and the deputy general manager of Shanghai Daily Chemical Co. He has over 22 years of experience in cosmetics business management.

Mr. Wu Jian Zhuang, aged 53, is an executive director of the Group. Mr. Wu graduated from Hua Tung University of Education with a master degree of economics. He was previously the general manager of 上海市牛奶公司 (Shanghai Dairy Farm Company) and 上海市農業投資總公司 (Shanghai Agriculture Investment Corporation). He has more than 25 years of experience in corporate administration and management.

Independent Non-executive Directors

Mr. Kwok Chin Kung, Robert, aged 61, is a Chartered Accountant and joined the Jardine Matheson Group in 1964. He is a director of Jardine Matheson Ltd., Dairy Farm International Holdings Ltd., Hongkong Land Holdings Ltd., Jardine International Motor Holdings Ltd., Jardine Matheson Holdings Ltd., Jardine Strategic Holdings Ltd. and Mandarin Oriental International Ltd.

Mr. Li Ka Cheung, Eric, aged 46, B.A. (Econ) Hon., FHKSA, FCA, FCIS, OBE, JP. Mr. Li is the senior partner of Li, Tang, Chen & Co., Certified Public Accountants and an independent non-executive director of SmarTone Telecommunications Holdings Ltd.; The Kowloon Motor Bus Holdings Ltd.; Wong's International (Holdings) Ltd., CATIC International Holdings Ltd. and Hang Seng Bank Limited. Mr. Li is a member of the Legislative Council of Hong Kong

股有限公司及恒生銀行有限公司之獨立非執行董事。李先生為香港立法會議員、並任立法會政府帳目委員會主席及財經事務委員會副主席。彼亦為香港會計師公會前會長。

李嘉士先生，39歲，胡關李羅律師行合夥人。李先生於香港大學取得法律學士學位及法律深造證書。李先生為香港多間上市公司獨立非執行董事，包括中國光大控股有限公司、中國製藥企業投資有限公司、白花油國際有限公司、添利工業國際(集團)有限公司、太興置業有限公司、渝港國際有限公司及雲南實業控股有限公司。

高級管理人員

黎豫杭女士，48歲，杭州青春寶董事兼執行副總裁及中國青春寶副董事長。彼為高級經濟師，一九八九年任杭州第二中藥廠常務副廠長，在製藥企業管理方面積逾二十五年經驗。曾當選浙江省政協第八屆委員會委員及杭州婦女聯合會常委。

許正宇先生，43歲，杭州青春寶董事兼副總裁及製藥分公司總經理。彼畢業於西安醫科大學，持有醫學學士學位。獲授主治醫師職稱。從事醫藥科研及製藥企業管理近二十年，尤其在醫藥銷售方面有豐富經驗。

周啟英先生，52歲，為上海家化副董事長及總經理。彼獲授高級經濟師職稱及持有上海財經大學工業經濟學碩士學位。彼於一九九二年八月起在上海家化(集團)有限公司(「上海家化集團」)任職副總經理。彼在工業企業管理積逾二十六年經驗。

and serves as chairman of the Public Accounts Committee and vice chairman of its Panel of Financial Affairs. He was also a past president of the Hong Kong Society of Accountants.

Mr. Lee Ka Sze, Carmelo, aged 39, is a partner of Woo, Kwan, Lee & Lo. Mr. Lee received his Bachelor of Laws degree and the Postgraduate Certificate in Laws from The University of Hong Kong. Mr. Lee is an independent non-executive director of several listed public companies in Hong Kong, namely China Everbright International Ltd., China Pharmaceutical Enterprise & Investment Corporation Ltd., Pak Fah Yeow International Ltd., Termbray Industries International (Holdings) Ltd., Tern Properties Company Ltd., Yugang International Ltd. and Yunnan Enterprises Holdings Ltd.

SENIOR MANAGEMENT

Ms. Li Yu Hang, aged 48, is a director and deputy chief executive of Hangzhou Qingchunbao, deputy chairman of China Qingchunbao. She is a senior economist. She was appointed the deputy factory manager of Hangzhou No. 2 Chinese Medicine Factory in 1989. She has over 25 years of experience in the management of pharmaceutical enterprise. Ms. Li was also a committee member of the 8th Standing Committee of Zhejiang Political Consultative Conference, executive of the standing committee of Hangzhou Women Association.

Mr. Xu Zheng Yu, aged 43, is a director and deputy chief executive of Hangzhou Qingchunbao and general manager of a pharmaceutical factory. Mr. Xu graduated from Xian Medical University with a bachelor degree in medical. He is a senior medical officer and has about 20 years of experience in medical research and management in pharmaceutical enterprise. He has extensive experience in sales of pharmaceutical products.

Mr. Zhou Qi Ying, aged 52, is the deputy chairman and the general manager of Shanghai Jahwa. He holds the designation of senior economist and has a master's degree in industrial economics from Shanghai Finance and Economics University. He has been the deputy general manager of Shanghai Jahwa (Holdings) Co., Ltd. ("SJC") since August 1992. He has over 26 years of experience in industrial enterprise management.

劉玉亮先生，38歲，為上海家化副總經理。彼畢業於上海第二軍醫大學，並獲授博士學位，職稱為副教授。劉先生於一九八三年在上海長海醫院任主治醫師，並於一九九五年加入上海家化集團。先後擔任科研部總監及副總經理等職，於科研開發方面有豐富經驗。

何漢明先生，43歲，本集團之財務總監。彼為英格蘭及威爾殊特許會計師公會資深會士，畢業於英國曼徹斯特大學獲會計及財務榮譽學士。何先生在會計及財務管理方面積逾二十年工作經驗。何先生於一九九六年二月加入上實控股。

王順龍先生，35歲，本集團策劃管理部主管，於一九九七年五月加入上實控股，畢業於清華大學，獲工學博士學位。於加入上實控股前曾在荷蘭埃因霍芬工業大學（Eindhoven University of Technology）任職研究員，從事三年研究工作。

黃美玲小姐，33歲，本集團之公司秘書。彼為英國特許秘書及行政人員公會會士，畢業於香港城市大學，獲會計學士學位。黃小姐並獲英國威爾殊大學及曼徹斯特大學聯合頒授工商管理碩士學位。黃小姐於公司秘書實務積逾十年工作經驗。黃小姐於一九九七年三月加入上實控股。

Mr. Liu Yu Liang, aged 38, is the deputy general manager of Shanghai Jahwa. Mr. Liu graduated from Shanghai No. 2 Military Medical University (上海第二軍醫大學) with a doctor degree. He also holds an associate professorship. Mr. Liu was appointed the chief medical officer of Shanghai Changhai Hospital (上海長海醫院) in 1983. He joined SJC in 1995 and held the positions of research supervisor and deputy general manager. Mr. Liu has extensive experience in research and development.

Mr. Ho Hon Ming, John, aged 43, is the Financial Controller of the Group. Mr. Ho is a Fellow of The Institute of Chartered Accountants in England and Wales. He graduated with honours from the University of Manchester in England with a bachelor of arts degree in accounting and business finance. Mr. Ho has over 20 years of experience in accounting and business finance. Mr. Ho joined SIHL in February 1996.

Mr. Wang Shun Long, aged 35, is the Head of Strategic Department of the Group. He joined SIHL in May 1997. He graduated from Tsinghua University with a doctoral degree in engineering. Prior to joining SIHL, Mr. Wang was employed at the Eindhoven University of Technology in the Netherland as a researcher for three years.

Miss Wong Mei Ling, Marina, aged 33, is the Company Secretary of the Group. Miss Wong graduated with honours from the City University of Hong Kong with a bachelor of arts degree in accountancy. She also holds a master's degree in Business Administration awarded by the University of Wales and the University of Manchester in England jointly. Miss Wong is an Associate of The Institute of Chartered Secretaries and Administrators. She has over 10 years of experience in company secretarial practice. Miss Wong joined SIHL in March 1997.

董事會欣然提呈本公司由一九九九年九月十七日(成立日)至一九九九年十二月三十一日止期間之首份報告書及經審核之財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司之業務乃製造及銷售中成藥及保健品。

本集團之備考合併營業額及經營溢利貢獻分析刊載於本年報第116頁。

公司組織章程

於一九九九年十一月十一日，本公司之唯一股東通過書面議決案，採用新公司組織章程。

集團重組及於香港聯合交易所有限公司(「聯交所」)創業板市場(「創業板」)上市

本公司於一九九九年九月十七日根據開曼群島公司法(一九九八年修訂本)第二十二章在開曼群島註冊成立為受豁免公司。依據一系列重組本集團架構以籌備本公司之股份在創業板上市之集團重組程序，本公司在一九九九年十一月成為本集團之控股公司。本集團重組之詳情已刊載於本公司於一九九九年十一月二十三日發出之售股章程(「售股章程」)附錄五「企業重組」內，有關概要亦刊載於財務報表附註1。

The board of directors have pleasure in presenting their first report and the audited financial statements for the period from 17th September, 1999 (date of incorporation) to 31st December, 1999.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are the manufacture and sale of Chinese patent medicine and health supplement products.

An analysis of the Group's pro forma combined turnover and contribution to operating profit is set out on page 116 of the annual report.

ARTICLES OF ASSOCIATION

By a special resolution in writing of the sole shareholder of the Company dated 11th November, 1999, the Company adopted a new set of articles of association.

REORGANISATION AND LISTING ON THE GROWTH ENTERPRISE MARKET (THE "GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

The Company was incorporated in the Cayman Islands on 17th September, 1999 as an exempt company under the Companies Law (1998 Revision) Chapter 22 of the Cayman Islands. Pursuant to a series of group reorganisation steps to rationalise the structure of the Group in preparation for the listing of the Company's shares on the GEM, the Company became the holding company of the Group in November 1999. Details of the group reorganisation are set out in the paragraphs headed "Corporate Reorganisation" in appendix V of the prospectus issued by the Company dated 23rd November, 1999 (the "Prospectus") and a summary thereof is set out in note 1 to the financial statements.

本公司股份於一九九九年十二月二日在創業板上市。

業績及股息

本集團由一九九九年九月十七日(成立日)至一九九九年十二月三十一日止期間之業績刊載於本年報第67頁之綜合收益表內。本集團截至一九九九年十二月三十一日止年度之備考合併業績亦詳列於同一頁，其編制基準則載於財務報表附註1。

董事會建議不派發本期間之股息。

財務摘要

本集團前三個財政年度之備考合併業績刊載於本年報第115頁。

股本及購股期權

本公司股本之變動詳情刊載於財務報表附註16。

本公司購股期權之詳情刊載於財務報表附註17。

儲備

本集團及本公司於本期間之儲備變動詳情刊載於財務報表附註18。

The shares of the Company have been listed on the GEM since 2nd December, 1999.

RESULTS AND DIVIDEND

The results of the Group for the period from 17th September, 1999 (date of incorporation) to 31st December, 1999 are set out in the consolidated income statement on page 67 of the annual report. The pro forma combined results of the Group for the year ended 31st December, 1999, prepared on the basis set out in note 1 to the financial statements, are also presented on the same page for information.

The directors do not recommend the payment of a dividend for the period.

FINANCIAL SUMMARY

A summary of the pro forma combined results of the Group for the past three financial years is set out on page 115 of the annual report.

SHARE CAPITAL AND SHARE OPTIONS

Changes in the share capital of the Company are set out in note 16 to the financial statements.

Details of the share option scheme of the Company are set out in note 17 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the period are set out in note 18 to the financial statements.

投資物業

本集團在一九九九年十一月因收購附屬公司權益而增加投資物業約12,000,000港元。投資物業於一九九九年十二月三十一日由一獨立物業估值師以公開市值現時用途為基準進行重估，重估價值為12,000,000港元。投資物業之詳情刊載於財務報表附註10。

物業、廠房及設備

於本期間，本集團因收購附屬公司權益而增加物業、廠房及設備約130,000,000港元，為擴展本集團之業務而增加物業、廠房及設備約4,600,000港元。上述及本集團其他物業、廠房及設備於本期間內之變動刊載於財務報表附註11。

附屬公司

有關本公司於一九九九年十二月三十一日之附屬公司詳情刊載於財務報表附註27。

合營企業

有關本集團於一九九九年十二月三十一日之合營企業詳情刊載於財務報表附註13及28。

貸款

本集團將一年內到期或按要求而償還之銀行及其他貸款列入流動負債內，並刊載於財務報表附註15。

INVESTMENT PROPERTY

The Group acquired investment property with a value of approximately HK\$12 million on acquisition of subsidiaries in November 1999. At 31st December, 1999, the investment property was revalued by an independent property valuer on an open market value existing use basis at HK\$12 million. Details are set out in note 10 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment amounting to approximately HK\$130 million on acquisition of subsidiaries, incurred costs of approximately HK\$4.6 million for acquisition of property, plant and equipment for the purpose of expanding the Group's business. These and other movements during the period in property, plant and equipment of the Group are set out in note 11 to the financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries at 31st December, 1999 are set out in note 27 to the financial statements.

JOINTLY CONTROLLED ENTITY

Details of the Group's jointly controlled entity at 31st December, 1999 are set out in notes 13 and 28 to the financial statements.

BORROWINGS

Bank and other borrowings of the Group which are repayable within one year or on demand are classified as current liabilities as set out in note 15 to the financial statements.

董事及董事之服務合約

由成立日起至本報告書日止，本公司之董事為：

執行董事：

卓福民(董事長)

(於一九九九年九月十七日委任)

馮根生(副董事長)

(於一九九九年九月二十日委任)

厲偉達(董事總經理)

(於一九九九年九月十七日委任)

陳樹滋(副董事總經理)

(於一九九九年九月二十日委任)

葛文耀

(於一九九九年九月二十日委任)

鄔健莊

(於一九九九年九月二十日委任)

Shaun Denton

(於一九九九年九月十七日委任，
並於一九九九年九月十七日辭任)

呂明方

(於一九九九年九月二十日委任，
並於一九九九年十一月四日辭任)

獨立非執行董事：

郭勤功

(於一九九九年十一月六日委任)

李家祥

(於一九九九年九月二十二日委任)

李嘉士

(於一九九九年九月二十二日委任)

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the period since incorporation and up to the date of this report were:

Executive directors:

Zhuo Fu Min (*Chairman*)

(appointed on 17th September, 1999)

Feng Gen Sheng (*Vice Chairman*)

(appointed on 20th September, 1999)

Li Wei Da (*Managing Director*)

(appointed on 17th September, 1999)

Chen Shu Zi (*Deputy Managing Director*)

(appointed on 20th September, 1999)

Ge Wen Yao

(appointed on 20th September, 1999)

Wu Jian Zhuang

(appointed on 20th September, 1999)

Shaun Denton

(appointed on 17th September, 1999 and
resigned on 17th September, 1999)

Lu Ming Fang

(appointed on 20th September, 1999 and
resigned on 4th November, 1999)

Independent non-executive directors:

Kwok Chin Kung, Robert

(appointed on 6th November, 1999)

Li Ka Cheung, Eric

(appointed on 22nd September, 1999)

Lee Ka Sze, Carmelo

(appointed on 22nd September, 1999)

根據本公司的組織章程細則第116條，卓福民先生、馮根生先生及陳樹滋先生均依章告退，惟願意膺選連任。

厲偉達先生及陳樹滋先生與本公司訂有服務協議，由一九九九年十月十五日起生效，先以三年為期，除非協議任何一方事先以六個月書面通知終止協議，否則將繼續有效，該項通知不得在二零零一年四月十五日前發出。

各獨立非執行董事之職務任期至二零零一年十二月三十一日止。

除上述以外，所有被提名在來屆股東週年大會中連任之董事，概無與本公司或其任何附屬公司訂立不得在一年內被本集團終止而毋須作出賠償之服務協議（法定賠償除外）。

董事之證券權益

於一九九九年十二月三十一日，任何董事或其聯繫人（定義見香港證券（公開權益）條例「證券公開權益條例」）等，概無在本公司或任何聯繫企業之證券中擁有任何個人、家族、公司或其他權益。

In accordance with Article 116 of the Company's Articles of Association, Messrs. Zhuo Fu Min, Feng Gen Sheng and Chen Shu Zi retire and, being eligible, offer themselves for re-election.

Messrs. Li Wei Da and Chen Shu Zi entered into service agreements with the Company for an initial period of three years commencing on 15th October, 1999, which will continue thereafter unless and until terminated by either party by six months' prior written notice, such notice not to be given at any time before 15th April, 2001.

The term of office of each of the independent non-executive directors is the period up to 31st December, 2001.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SECURITIES

As at 31st December, 1999, none of the directors or their associates had any personal, family, corporate or other interests in the securities of the Company or any of its associated corporations as defined in the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance").

董事購買股份或債券之權益

- (a) 根據本公司於一九九九年十一月十一日採納之購股期權計劃（「該計劃」），本公司可授予本公司或其附屬公司之執行董事及全職僱員購股期權以認購本公司股份，而每批購股期權則收取港幣 1 元作為授出代價。購股期權可在配發當日後滿三年之日起計之任何期間隨時行使，該期間之屆滿日期為董事會釐定之日期或二零零九年十一月十日（較早者為準）。最高認購股數不得超逾本公司在任何時候之已發行股本百分之十。

於結算日，本公司並沒有就此計劃授予購股期權。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

- (a) Pursuant to the Company's share option scheme adopted on 11th November, 1999 (the "Scheme"), the Company may grant options to executive directors and full time employees of the Company or its subsidiaries to subscribe for shares in the Company for a consideration of HK\$1 for each lot of share options granted. Options granted are exercisable at any time commencing on the expiry of three years after the date of the options are granted and expiring on such date as determined by the board of directors or 10th November, 2009, whichever is the earlier. The maximum number of shares in respect of which options may be granted shall not exceed 10% of the issued share capital of the Company from time to time.

At the balance sheet date, no option was granted by the Company under the Scheme.

(b) 根據本公司之居間控股公司上海實業控股有限公司(「上實控股」)之購股期權計劃，本公司若干董事在獲授可購買上實控股股份之購股期權中擁有以下的個人權益：

(b) Pursuant to the share option scheme of Shanghai Industrial Holdings Limited ("SIHL"), an intermediate holding company, certain directors of the Company have personal interests in share options ("SIHL Options") to subscribe for shares in SIHL ("SIHL Shares") which have been granted to them as follows:

於一九九九年九月十七日
及一九九九年十二月三十一日
尚未行使之上實控股購股期權

董事姓名	授出月份	每股行使價	Number of SIHL Shares subject to SIHL Options outstanding at 17.9.1999 and 31.12.1999
Name of director	Month of grant	Exercise price per share 港元 HK\$	
卓福民	一九九六年八月	8.808	1,500,000
Zhuo Fu Min	August 1996		
	一九九九年一月	9.568	1,400,000
	January 1999		
厲偉達	一九九七年四月	30.912	2,000,000
Li Wei Da	April 1997		
	一九九九年一月	9.568	1,200,000
	January 1999		
葛文耀	一九九六年八月	8.808	1,000,000
Ge Wen Yao	August 1996		
鄒健莊	一九九九年一月	9.568	1,000,000
Wu Jian Zhuang	January 1999		

購股期權可由授出日期六個月後隨時予以行使，期限為三年零六個月。

The options can be exercised at any time during the three and a half years commencing on the expiry of six months after the date of grant.

除上述事項外，於本期間內，本公司或其控股公司或其任何同系附屬公司及附屬公司並無作出任何其他安排，使本公

Save as disclosed above, at no time during the period was the Company or its holding companies or any of its fellow subsidiaries or subsidiaries a party to any arrangement to

司董事可藉購買本公司或其他法人團體之股份或債務證券(包括債券)而獲得利益。同時，並無任何董事或其配偶或未滿十八歲之子女擁有任何認購本公司證券之權利或已行使任何該等權利。

主要股東

於一九九九年十二月三十一日，根據證券公開權益條例第16(1)條所規定須存置之主要股東登記冊所顯示，下列人士擁有本公司已發行普通股股份面值10%或以上之權益：

股東名稱

Name of shareholder

上海實業(集團)有限公司(附註)

Shanghai Industrial Investment (Holdings) Company Limited (note)

Shanghai Industrial Investment Treasury Company Limited (附註)(note)

Shanghai Investment Holdings Limited (附註)(note)

上實控股(附註)

SIHL (note)

Central Force Investments Limited

附註：Central Force Investments Limited 為上實控股之全資附屬公司，而後者為 Shanghai Industrial Investment Holdings Limited 之全資附屬公司。Shanghai Industrial Investment Treasury Company Limited 擁有 Shanghai Industrial Investment Holdings Limited 100%權益，故根據公開權益條例，上實控股、Shanghai Industrial Investment Holdings Limited 及 Shanghai Industrial Investment Treasury Company Limited 均被視為擁有 Central Force Investments Limited 上述所列之股份權益。

enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the directors, or their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 1999, the register kept by the Company under Section 16(1) of the SDI Ordinance showed that the following persons are interested in 10% or more of the nominal value of the issued ordinary shares of the Company:

實益擁有普通股股份數目

Number of ordinary shares beneficially held

379,288,000

372,063,000

372,063,000

372,063,000

372,000,000

Note: Central Force Investments Limited is a wholly-owned subsidiary of SIHL, which is, in turn, a wholly-owned subsidiary of Shanghai Industrial Investment Holdings Limited. Shanghai Industrial Investment Treasury Company Limited owns 100% of Shanghai Investment Holdings Limited. Accordingly, SIHL, Shanghai Investment Holdings Limited and Shanghai Industrial Investment Treasury Company Limited are deemed by the SDI Ordinance to be interested in the ordinary shares beneficially owned by Central Force Investments Limited as listed above.

Top Modern Limited 持有本公司7,225,000股普通股股份之權益。上海實業(集團)有限公司擁有 Top Modern Limited 及 Shanghai Industrial Investment Treasury Company Limited 100%權益，故根據公開權益條例而被視為擁有 Top Modern Limited 及 Central Force Investments Limited 所持有之合共 379,288,000股普通股股份之權益。

Top Modern Limited is the beneficial owner of 7,225,000 ordinary shares of the Company. Shanghai Industrial Investment (Holdings) Company Limited owns 100% of Top Modern Limited and 100% of Shanghai Industrial Investment Treasury Company Limited and is accordingly deemed by SDI Ordinance to be interested in a total of 379,288,000 ordinary shares beneficially owned by Top Modern Limited and Central Force Investments Limited.

除上述事項外，本公司並未被知會有任何人士於一九九九年十二月三十一日擁有本公司百分之十或以上已發行股本之任何其他權益。

Save as disclosed above, the Company has not been notified of any other interests as at 31st December, 1999 representing 10% or more of the issued share capital of the Company.

關連交易

CONNECTED TRANSACTIONS

在本期間，須披露之關連交易詳情已列於財務報表附註26(I)。除當中所披露者外，本集團並無任何須遵照聯交所創業板之證券上市規則(「創業板上市規則」)須予披露為關連交易之其他交易。

Details of the discloseable connected transactions for the period are set out in note 26(I) to the financial statements. Save as disclosed therein, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

獨立非執行董事已審閱載於財務報表附註26(I)(a)之關連交易，並認為本集團所進行之關連交易：

The independent non-executive directors have reviewed the connected transactions set out in note 26(I)(a) to the financial statements and in their opinion, these transactions entered into by the Group were:

- (i) 在本集團正常及日常業務過程中進行；
- (ii) 按一般商業條款進行；及
- (iii) 根據有關監管協議，並按公平合理之條款進行，且符合本公司整體股東之利益。

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

董事於合約中之權益

本公司董事李嘉士先生為胡關李羅律師行之合夥人。該行提供專業服務予本集團並收取正常之酬金。

除上述事項外，於年結日或期間任何時間，本公司或其控股公司或其任何同系附屬公司或附屬公司概無訂立任何董事於其中本公司直接或間接擁有重大權益之重大合約。

捐款

於本期間，本集團之慈善及其他捐款合共300,000港元。

主要客戶及供應商

在本期間，本集團最大五位客戶之銷售總額及本集團最大五位供應商之採購總額均各自少於本集團銷售總額及採購總額之30%。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本期間並無購買、出售或贖回任何本公司之上市證券。

DIRECTORS' INTERESTS IN CONTRACTS

Mr Lee Ka Sze, Carmelo, a director of the Company, is a partner of Messrs. Woo, Kwan Lee & Lo, solicitors, which firm rendered professional services to the Group and received normal remuneration for such services.

Except as disclosed above, there were no contracts of significance to which the Company or its holding companies or any of its fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, which subsisted at the end of the year or at any time during the period.

DONATIONS

During the period, the Group made charitable and other donations amounting to HK\$300,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the period, both the aggregate sales attributable to the Group's five largest customers and the aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's sales and purchases respectively.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

優先購股權

本公司之組織章程或開曼群島法例並無優先購股權之規定，故此本公司無須按比例向現有股東提呈發售新股。

核數師

德勤•關黃陳方會計師行於一九九九年九月二十日獲委聘為本公司之核數師。本公司將於應屆股東週年大會上提呈決議案，續聘此會計師行為核數師。

代表董事會



卓福民
董事長

香港，二零零零年三月二十日


PRE-EMPTIVE RIGHTS

There are no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

AUDITORS

Messrs. Deloitte Touche Tohmatsu were appointed as auditors of the Company on 20th September, 1999. A resolution will be submitted to the annual general meeting of the Company to re-appoint them.

On behalf of the Board



Zhuo Fu Min
Chairman

Hong Kong, 20th March, 2000

致上海實業醫藥科技(集團)有限公司成員
(於開曼群島註冊成立之有限公司)

本核數師行已完成審核載於第67頁至第114頁按照香港普遍採納之會計原則編製的財務報表及按照財務報表附註1的準則而編製的一九九九年十二月三十一日年度之備考合併收益表，此備考合併收益表僅作參考用途。此財務報表與備考合併收益表合稱為「財務報表」。

董事及核數師的個別責任

公司董事須負責編製真實與公平的財務報表。在編製該等財務報表時，董事必須貫徹採用合適的會計政策。

本行的責任是根據本行審核工作的結果，對該等財務報表表達獨立的意見，並向股東作出報告。

意見的基礎

本行是按照香港會計師公會頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等財務報表時所作的重大估計和判斷、所釐定的會計政策是否適合貴公司及貴集團的具體情況及是否貫徹應用並足夠地披露該等會計政策。

TO THE MEMBERS OF
SIIC MEDICAL SCIENCE AND TECHNOLOGY (GROUP) LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 67 to 114 which have been prepared in accordance with accounting principles generally accepted in Hong Kong. We have also audited the accompanying pro forma combined income statement for the year ended 31st December, 1999 which has been prepared on the basis set out in note 1 to the financial statements and which is presented for information purposes only. The financial statements and the pro forma combined income statement are collectively referred to as the "Financial Statements".

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of Financial Statements which give a true and fair view. In preparing Financial Statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

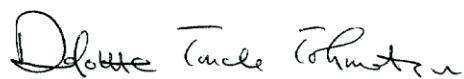
We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

本行在策劃和進行審核工作時，均以取得一切本行認為必需的資料及解釋為目標，使本行能獲得充份的憑證，就該等財務報表是否存有重要錯誤陳述，作出合理的確定。在表達意見時，本行亦已衡量該等財務報表所載的資料在整體上是否足夠。本行相信，本行的審核工作已為下列意見建立了合理的基礎。

意見

本行認為上述的財務報表均真實與公平地反映 貴公司及貴集團於一九九九年十二月三十一日的財政狀況及 貴集團由一九九九年九月十七日(成立日)至一九九九年十二月三十一日止期間的溢利和現金流量，並已按照香港公司條例的披露要求而妥善編製。

本行認為上述的備考合併收益表真實與公平地反映組成 貴集團截至一九九九年十二月三十一日止年度之備考合併溢利。



德勤•關黃陳方會計師行

執業會計師

香港，二零零零年三月二十日

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the Financial Statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company and the Group as at 31st December, 1999 and of the profit and cash flows of the Group for the period from 17th September, 1999 (date of incorporation) to 31st December, 1999 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In our opinion the pro forma combined income statement gives a true and fair view of the pro forma combined profit of the companies comprising the Group for the year ended 31st December, 1999.



Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 20th March, 2000

綜合收益表

Consolidated Income Statement

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

		(附註 1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
		附註	
		Notes	
營業額	Turnover		94,878
銷售成本	Cost of sales		(30,639)
毛利	Gross profit		64,239
其他收入	Other revenue		—
分銷費用	Distribution costs		(29,349)
行政費用	Administrative expenses		(15,277)
經營溢利	Profit from operations	3	19,613
財務費用	Finance costs	4	(981)
投資收益	Investment income	5	13,071
分佔合營企業溢利	Share of profit of a jointly controlled entity		4,545
除稅前經常業務溢利	Profit from ordinary activities before taxation		36,248
所得稅費用	Income tax expenses	7	(2,572)
未計少數股東權益前溢利	Profit before minority interests		33,676
少數股東權益	Minority interests		(9,321)
本期間/年度溢利	Profit for the period/year	8	24,355
每股盈利	Earnings per share	9	
— 基本	— Basic		8.8 cents
			14.6 cents

於本期間，本集團並沒有未
確認溢利或虧損。

There was no recognised gains or losses other than the profit for the period.

綜合資產負債表

Consolidated Balance Sheet

於一九九九年十二月三十一日

at 31st December, 1999

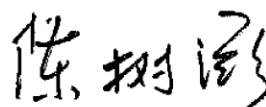
		附註 NOTES	千港元 HK\$'000
非流動資產	Non-Current Assets		
投資物業	Investment property	10	12,000
物業、廠房及設備	Property, plant and equipment	11	131,171
於合營企業權益	Interest in a jointly controlled entity	13	90,181
			233,352
流動資產	Current Assets		
存貨	Inventories	14	36,525
貿易及其他應收款項	Trade and other receivables		126,202
銀行結存及現金	Bank balances and cash		350,347
			513,074
流動負債	Current Liabilities		
貿易及其他應付款項	Trade and other payables		83,244
應付稅項	Taxation payable		8,573
短期銀行及其他貸款	Short-term bank and other borrowings	15	43,084
			134,901
流動資產淨值	Net Current Assets		378,173
			611,525
發行股本及儲備	Capital and Reserves		
發行股本	Issued capital	16	62,000
儲備	Reserves	18	411,134
			473,134
少數股東權益	Minority interests		136,291
非流動負債	Non-Current Liabilities		
遞延稅項	Deferred taxation	19	2,100
			611,525

載於第67頁至第114頁之財務報表經由董事會於二零零零年三月二十日批准，並由下列董事代表董事會簽署：

The financial statements on pages 67 to 114 were approved by the Board of Directors on 20th March, 2000 and are signed on its behalf by:



厲偉達
董事
Li Wei Da
Director



陳樹滋
董事
Chen Shu Zi
Director

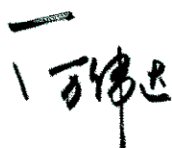
資產負債表

Balance Sheet


於一九九九年十二月三十一日

at 31st December, 1999

		附註 NOTES	千港元 HK\$'000
非流動資產			
廠房及設備	Plant and equipment	11	3,038
於附屬公司權益	Interests in subsidiaries	12	242,429
			245,467
流動資產			
貿易及其他應收款項	Trade and other receivables		1,626
銀行結存及現金	Bank balances and cash		217,158
			218,784
流動負債			
貿易及其他應付款項	Trade and other payables		5,806
			212,978
流動資產淨值	Net Current Assets		458,445
股本及儲備			
發行股本	Issued capital	16	62,000
儲備	Reserves	18	396,445
			458,445



厲偉達
董事
Li Wei Da
Director



陳樹滋
董事
Chen Shu Zi
Director

綜合現金流量表

Consolidated Cash Flow Statement

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

		附註 NOTES	千港元 HK\$'000
經營業務之現金流入淨值	NET CASH INFLOW FROM OPERATING ACTIVITIES	20	28,044
投資及財務安排所得之回報	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
已收利息，包括於公司 發行股份所收認購 新股款項所獲得之利息	Interest received, including interest on application monies received on listing of the Company's shares		12,854
銀行及其他貸款之 已付利息	Interest paid on bank and other borrowings		(966)
投資及財務安排所得回報之 現金流入淨值	NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		11,888
投資業務	INVESTING ACTIVITIES		
購買附屬公司(扣除 所得現金及等同現金 項目淨值)	Purchase of subsidiaries (net of cash and cash equivalents acquired)	21	93,484
銀行存款之減少	Decrease in bank deposits		44
購買物業、廠房及設備	Purchase of property, plant and equipment		(4,609)
投資業務之現金流入淨值	NET CASH INFLOW FROM INVESTING ACTIVITIES		88,919
融資前之現金流入淨值	NET CASH INFLOW BEFORE FINANCING		128,851
融資	FINANCING	22	
發行股份所得款項	Proceeds from issue of shares		231,786
發行股份有關之支出	Expenses incurred in connection with issue of shares		(25,436)
融資之現金流入淨值	NET CASH INFLOW FROM FINANCING		206,350
現金及等同現金項目之 增加及結轉現金及 等同現金項目	INCREASE IN CASH AND CASH EQUIVALENTS AND CASH AND CASH EQUIVALENTS CARRIED FORWARD		335,201
現金及等同現金項目分析	ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
銀行結存及現金	Bank balances and cash		350,347
扣除：存放期超過三個月 之銀行存款	Less: Bank deposits with more than three months of maturity		(15,146)
			335,201

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

1. 集團重組及財務報表之 編製基準

本公司於一九九九年九月十七日根據開曼群島公司法(一九九八年修訂本)在開曼群島註冊成立為豁免公司。本公司之最終控股公司為上海實業(集團)有限公司，則在香港註冊成立。

依據一系列由一九九九年七月開始為重組本集團架構以籌備本公司之股份在香港聯合交易所有限公司創業板市場(「創業板」)上市之集團重組程序，本公司在一九九九年十一月成為本集團之控股公司，其股份並於一九九九年十二月二日正式於創業板上市。

是次重組主要包括以下步驟：

- (i) 上實日化控股有限公司(「上實日化」)以現金作代價，出售上海家化聯合股份有限公司(「上海家化」)11%之權益，使之成為本集團之合營企業；
- (ii) 上實日化以現金作代價，出售上海霞飛日化有限公司全數51%之權益；
- (iii) 購買上實日化全部已發行股本；及

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 17th September, 1999 as an exempt company under the Companies Law (1998 Revision) Chapter 22 of the Cayman Islands. Its ultimate holding company is Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong.

Pursuant to a series of group reorganisation steps from July 1999 in order to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM"), the Company became the holding company of the Group in November 1999. The Company's shares have been listed on the GEM with effect from 2nd December, 1999.

The group reorganisation principally involved the following steps:

- (i) disposal by S. I. Daily Chemical Holdings Ltd. ("S.I. Daily Chemical") for cash consideration of 11% interest in Shanghai Jahwa Joint-Stock Corporation Ltd. 上海家化聯合股份有限公司 ("Shanghai Jahwa") which then became a jointly controlled entity of the Group;
- (ii) disposal by S. I. Daily Chemical of all the 51% interest in Shanghai Xiafei Daily Chemical Co., Ltd. 上海霞飛日化有限公司 for cash consideration;
- (iii) acquisition by the Company of the entire issued share capital of S.I. Daily Chemical; and

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

1. 集團重組及財務報表之 編製基準(續)

- (iv) 購買 Golden News Enterprises Ltd. (「Golden News」) 之 91.67% 已發行股本。

重組完成後，公司及其附屬公司及合營企業主要從事製造及銷售藥物產品、個人護理產品及化妝品。重組之主要程序詳載於本公司於一九九九年十一月廿三日發出之售股章程。

綜合收益表包括附屬公司及合營企業由成立日起計之業績。而按照香港普遍採納之會計原則編製的備考合併收益表僅作參考用途，其編製乃為顯示若本集團之架構在整個財政年度內已存在時，本集團截至一九九九年十二月三十一日止年度之業績。

2. 主要會計政策

本財務報表是依據香港普遍採納之會計原則編製，而所採用之主要會計政策則詳列如下：

綜合帳目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

- (iv) acquisition by the Company of 91.67% issued share capital of Golden News Enterprises Ltd. ("Golden News").

Following the reorganisation, the Company together with its subsidiaries and jointly controlled entity are engaged in the business of manufacture and sale of pharmaceutical products and personal care and cosmetics products. Details of the reorganisation steps are set out in the prospectus issued by the Company dated 23rd November, 1999.

The consolidated income statement includes the results of the subsidiaries and a jointly controlled entity from the date of acquisition. The pro forma combined income statement, which is presented for information purposes only, has been prepared in accordance with accounting principles generally accepted in Hong Kong to show the results of the Group for the year ended 31st December, 1999 as if the group structure had been in existence throughout the year.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year.

由一九九九年九月十七日(成立日)至
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2. 主要會計政策(續)

綜合帳目基準(續)

於本年度購入或出售之附屬公司其業績會分別由購入有效日期起或截至出售有效日期止(視乎情況而定)列入綜合收益表內。

本集團內各公司之間所有重要交易及往來結餘已在綜合帳目內對銷。

商譽

商譽乃指收購附屬公司時付出之代價高於本集團於收購當日應佔該附屬公司以公平價值計算之可辨認資產淨值部份，商譽於收購時即於儲備撇銷。負商譽乃指本集團於收購附屬公司當日應佔該附屬公司以公平價值計算之可辨認資產淨值高於收購代價之差額，負商譽乃貸記入儲備。

因收購合營企業權益而產生之溢價或折讓，乃收購代價高出或不足本集團於收購當日應佔該合營企業以公平價值計算之可辨認資產之差額，有關溢價或折讓的處理形式與上述商譽相同。

於出售附屬公司或合營企業時，其有關曾在儲備撇銷或貸記入儲備之商譽，將計入出售該附屬公司或合營企業之溢利或虧損當中。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances between group enterprises are eliminated on consolidation.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary and is eliminated against reserves immediately on acquisition. Negative goodwill, which represents the excess over the purchase consideration of the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary, is credited to reserves.

Any premium or discount arising on the acquisition of an interest in a jointly controlled entity, representing the excess or shortfall respectively of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets of the jointly controlled entity at the date of acquisition, is dealt with in the same manner as that described above for goodwill.

On the disposal of an investment in a subsidiary or a jointly controlled entity, the attributable amount of goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal.

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2. 主要會計政策(續)

附屬公司投資

附屬公司乃指本公司直接或間接持有其已發行股本或控制其投票權逾半數或本公司可控制其董事局(或同等權力之管理團體)結構之企業。

於附屬公司之權益按成本值減除永久減值準備(如有需要)列帳。附屬公司之業績是按本公司在本期間之已收股息或應收股息為基準入帳。

在合營項目上之權益

合營項目是一種合約安排，藉著該合約安排本集團與其他方進行受他們共同控制的經濟活動。

當集團內的公司直接以合營項目協議形式進行活動時，本集團在共同控制資產所佔的權益及任何與其他合營者共同承擔的負債均會在相關公司的財務報表中予以確認，並按照他們的性質作出分類。各項為共同控制資產權益而直接產生的債項及支出均會以應計基準進行核算。而從銷售或使用本集團在共同控制資產的產出所佔部份而得的收入及本集團在合營項目支出中所佔的部份，會在有關交易的經濟利益能可靠地計量，並很可能流入／流出本集團時才予以確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are stated at cost, as reduced by any decline in the value of the subsidiary that is other than temporary. Results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable during the period.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control.

Where a group company undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant company and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

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2. 主要會計政策(續)

在合營項目上之權益(續)

合營項目安排若涉及設立一家各合營者均有權益的獨立個體，該合營項目則為共同控制實體。本集團會以權益法報告在共同控制實體中的權益。而該共同控制實體的帳面價值則會按個別投資的價值的非暫時性降值而作出相應調整。

對於集團內的企業與集團的共同控制實體進行的交易，除了未實現虧損能證明所轉讓的資產已發生減值的情況外，其他未實現的損益則按集團於相關合營項目所佔的權益而予以抵銷。

對沒有共同控制權的合營投資，本集團會將其作為附屬公司(當本集團能控制其董事局或同等管理組織)、聯營公司(當本集團能對其發揮重大影響力)或證券投資(當本集團對其沒有控制權或不能發揮重大影響力)予以核算。

營業額

營業額指本期間本集團將貨品售予外界客戶之已收及應收淨額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in joint ventures (continued)

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity method of accounting. The carrying amount of such interests is reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

Where a group enterprise transacts with a jointly controlled entity of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred.

Investments made by means of joint venture structures which do not result in the Group having joint control are accounted for as subsidiaries (where the Group controls the board of directors or equivalent governing body), associates (where the Group is in a position to exercise significant influence) or investments in securities (where the Group exercises neither control nor significant influence).

Turnover

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the period.

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2. 主要會計政策(續)

收入確認

銷售貨品乃於貨品已送出及所有權移交後確認。

利息收入按時間基礎根據未償還本金及適用利率累計。

從根據營運租約租出之物業所得租金收入(包括預先發出發票之租金)按有關租約之期間以直線基準確認。

投資物業

投資物業指已完成發展的物業，其被持有是因其具有投資價值，而有關租金收入是在正常非關連基礎下議訂的。

於每個結帳日，投資物業會根據獨立之專業估價，以其公開市場價格入帳。任何於重估投資物業價值時所產生的盈餘或虧絀均會計入投資物業重估儲備中，但當該儲備的結餘不足以抵銷虧絀時，不足之數則會在收益表中扣除。倘已於收益表內扣除虧損而隨後出現重估盈餘，則該盈餘將計入收益表內，直至已抵銷以往之虧絀為止。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Rental income, including rental invoiced in advance, from properties let under operating leases is recognised on a straight line basis over the period of the respective leases.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the investment property revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

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2. 主要會計政策(續)

投資物業(續)

在出售投資物業時，歸屬於該物業的投資物業重估儲備結餘會撥入收益表中。

租約屆滿期超過20年的投資物業，並不計提折舊。

物業、廠房及設備

物業、廠房及設備(除在建工程外)乃按於結算日之原值扣除折舊或攤銷列賬。

一項資產的成本包括其購買價及任何令該資產達至其擬定用途之當前操作狀況及地點的直接可歸屬成本。在資產投入運作後的支出(如維修、保養及翻新費用等)，通常於其產生期間計入收益表內，假若可清楚顯示該等費用能增加資產將來的經濟效益，該等費用則撥充資本，作為資產的額外成本。

因物業、廠房及設備的出售或報廢而得的利益或虧損是決定於銷售收入及資產帳面金額的差額，並於收益表中確認為收入。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is credited to the income statement.

No depreciation is provided on investment properties which are held on leases with an unexpired term of more than 20 years.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less depreciation and amortisation at the balance sheet date.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

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2. 主要會計政策(續)

物業、廠房及設備(續)

當資產之變現值降至低於賬面值時，此等降值將從賬面值中扣除以作反映。預估將來現金流量將不會折讓至現值以計算資產之變現值。

在建工程按原值(包括所有發展費用及其他直接成本及該等項目資本化的借貸成本)列帳。在建工程於建築竣工及使用前將不予折舊或攤銷。已完成及已使用之建築工程之成本將轉移至適當類別之物業、廠房及設備。

土地使用權之成本值按使用權年限以直線法攤銷。

除在建工程外，折舊乃按資產之估計可用年限以直線法撇銷其之原值，所採用之年率如下：

樓宇
傢俬、裝置及設備
汽車
廠房及機器

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

Construction in progress is stated at cost which includes all construction costs and other direct costs attributable to such projects including borrowing costs capitalised in accordance with the Group's accounting policy. It is not depreciated until completion of construction. Costs of completed construction works are transferred to the appropriate categories of property, plant and equipment.

The cost of land use rights is amortised over the period of the rights using the straight line method.

Depreciation is provided to write off the cost of other assets, other than construction in progress, over their estimated useful lives, using the straight line method, at the following rates per annum:

Buildings	5%
Furniture, fixtures and equipment	20%–30%
Motor vehicles	20%
Plant and machinery	10%

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2. 主要會計政策(續)

借貸成本撥充資本

為購買、建造或生產合資格的資產(即需要一段頗長時間始能達至其擬定用途或出售之資產),其直接應計之借貸成本均撥充資本作為此等資產成本值之一部份。當此等資產大體上已完成可作其預計用途或出售時,即停止將該等借貸成本撥充資本。個別借貸於等待使用於有關合資格的資產時用作短暫投資所賺取之投資收益於撥充資本之借貸成本內扣除。

其他借貸成本均於其產生期間確認為費用。

存貨

存貨按成本或可變現淨值(兩者取其較低者)入帳。成本包括所有直接採購成本及(如情況適當)生產成本及將存貨運至現時地點及達致現時狀況所需之開支,並以加權平均法計算。可變現淨值乃以估計一般商業銷售價減除產品生產至製成品所需之其他估計成本及有關推銷之估計成本計算。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the actual or estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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2. 主要會計政策(續)

等同現金項目

等同現金項目指可兌換已知數額現金及購入時三個月內到期之短期可容易變現投資，減於借貸時三個月內償還之銀行墊款。

研究及開發成本

研究成本於其產生期間確認為費用。

開發支出於產生當年計入收益表中，但當有一明確的項目正在進行，而又可以合理地估計該項目的開發成本可於未來商業活動中收回，則該開發成本會予以資本化並作為無形資產，並且會從該項目作商業營運開始之日起，在該項目的營運期限內(平均為5年)，以直線法進行攤銷。

退休福利計劃供款

本集團向固定供款退休福利計劃的供款乃計算入當年之收益表。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash equivalents

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash and which are within three months of maturity when acquired, less advances from banks which are repayable within three months from the dates of the advances.

Research and development costs

Research costs are recognised as an expense in the period in which they are incurred.

Expenditure on development is charged to the income statement in the period in which it is incurred except where a major project is undertaken and it is reasonably anticipated that development costs will be recovered through future commercial activity. Such development costs are deferred and written off using the straight line method over the life of the project from the date of commencement of commercial operation subject to a maximum of five years.

Retirement benefits scheme contributions

Contributions payable by the Group to its defined contribution retirement benefits scheme are charged to the income statement in the year in which they fall due.

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2. 主要會計政策(續)

稅項

稅項乃按期間／年內之業績並就毋須課稅或不獲寬減之項目作出調整後計算。部份收入及支出項目因在稅務上及帳目上採用不同會計年度而引致時間差距，而時間差距在稅務上之影響有可能在可見將來確定為稅項負債或資產，則在帳目中用負債法計算為遞延稅項。

外幣

以外幣進行之交易乃以交易當日之匯率進行換算。以外幣結算之貨幣資產及負債以結算日之匯率進行換算。匯兌損益均計入收益表。

在編製綜合帳目時，海外業務之財務報表以結算日之匯率進行換算。因編製綜合帳目而產生之一切匯兌差額撥入儲備處理。

經營租約

根據經營租約應付之租金乃以直線法按有關租賃期自收益表中扣除。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

The charge for taxation is based on the results for the period/year after adjusting for items which are non-assessable or disallowed. Certain items of income and expense are recognised for tax purposes in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the resulting timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are translated at the rates ruling on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on translation are dealt with in the income statement.

On consolidation, the financial statements of overseas operations are translated at the rates ruling on the balance sheet date. All exchange differences arising on translation are dealt with in reserves.

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the respective leases.

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3. 經營溢利

3. PROFIT FROM OPERATIONS

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
經營溢利已扣除：	Profit from operations has been arrived at after charging:		
員工費用	Staff costs		
薪金及津貼	Basic salaries and allowances	7,114	39,200
花紅	Bonus	6,032	25,247
退休福利計劃供款	Retirement benefits scheme contributions	935	5,636
		14,081	70,083
核數師酬金	Auditors' remuneration	1,100	1,100
物業、廠房及設備折舊及攤銷	Depreciation and amortisation of property, plant and equipment	1,923	10,061
出售物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	1,269	2,622
有關土地及樓宇之經營租約租金	Operating lease rentals in respect of land and buildings	542	2,727
研究及開發成本費用	Research and development costs	492	2,950

由一九九九年九月十七日(成立日)至
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for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

4. 財務費用

4. FINANCE COSTS

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
於五年內到期之銀行及	Interest on bank and other borrowings		
其他貸款利息	wholly repayable within five years	966	2,960
其他財務費用	Other finance costs	15	15
		981	2,975

5. 投資收益

5. INVESTMENT INCOME

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
公司發行股份所收認購 新股款項所得之利息	Interest income on application monies received on listing of the Company's shares	11,296	11,296
其他利息收入	Other interest income	1,558	3,171
物業租金收入	Property rental income	217	1,620
		13,071	16,087

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

6. 董事及僱員酬金

6. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
董事酬金	Directors' Emoluments		
獨立非執行董事：	Independent non-executive directors		
袍金	Fees	150	150
執行董事：	Executive directors		
袍金	Fees	—	—
薪金及津貼	Basic salaries and allowances	698	1,360
花紅	Bonus	999	999
退休福利計劃供款	Retirement benefits scheme contributions	3	9
		1,700	2,368
董事酬金總額	Total directors' emoluments	1,850	2,518

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for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

6. 董事及僱員酬金(續)

6. DIRECTORS' EMOLUMENTS AND EMPLOYEES'
EMOLUMENTS (continued)

董事酬金介乎下列幅度：

The emoluments of the directors were within the
following bands:

		(附註1)	
		(Note 1)	
		備考合併	
		Pro forma	
		combined	
		1.1.1999	
		至 to	
		31.12.1999	
		董事數目	
		Number of	
		directors	
截至1,000,000港元	Up to HK\$1,000,000	11	10
1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000	—	1

於一九九九年九月十七日至一九九九年十二月三十一日止期間，其中六名董事分別收取約742,000港元、565,000港元、392,000港元、50,000港元、50,000港元及50,000港元之酬金及於截至一九九九年十二月三十一日止年度，該六名董事分別收取1,410,000港元、565,000港元、392,000港元、50,000港元、50,000港元及50,000港元之酬金。其他董事並無於本期間／年度收取任何酬金。

There were six directors who received emoluments of approximately HK\$742,000, HK\$565,000, HK\$392,000, HK\$50,000, HK\$50,000 and HK\$50,000 respectively for the period from 17th September, 1999 to 31st December, 1999 and approximately HK\$1,410,000, HK\$565,000, HK\$392,000, HK\$50,000, HK\$50,000 and HK\$50,000 respectively for the year ended 31st December, 1999. The other directors did not receive any emoluments during the period/year.

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

6. 董事及僱員酬金(續)

於本期間/年度，本集團並無向董事支付任何因加盟本集團或加盟本集團後之聘金或支付離職之補償金。此外，於本期間/年度，亦無董事放棄收取任何酬金。

僱員酬金

於本期間/年度，本集團五名最高薪酬之僱員包括3/2名董事，其薪酬之詳情已列示於上表。其餘2/3名最高薪酬之僱員及其薪酬之詳情如下：

6. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

During the period/year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the period/year.

Employees' Emoluments

During the period/year, the five highest paid individuals included three/two directors, details of whose emoluments are set out above. The emoluments of the remaining two/three highest paid individuals were as follows:

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
薪金及津貼	Basic salaries and allowances	436	1,776
花紅	Bonus	1,309	1,542
退休福利計劃供款	Retirement benefits scheme contributions	5	24
		1,750	3,342

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

6. 董事及僱員酬金(續)

6. DIRECTORS' EMOLUMENTS AND EMPLOYEES'
EMOLUMENTS (continued)

僱員酬金(續)

Employees' Emoluments (continued)

此2/3名最高薪酬之僱員所收取之酬
金介乎下列幅度：

The emoluments of the remaining two/three highest
paid individuals were within the following bands:

		(附註1)	
		(Note 1)	
		備考合併	
		Pro forma	
		combined	
		1.1.1999	
		至 to	
		31.12.1999	
		僱員數目	
		Number of	
		individuals	
截至1,000,000港元	Up to HK\$1,000,000	1	—
1,000,001港元至 1,500,000港元	HK\$1,000,001 to HK\$1,500,000	1	2
1,500,001港元至 2,000,000港元	HK\$1,500,001 to HK\$2,000,000	—	1

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

7. 所得稅費用

7. INCOME TAX EXPENSES

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
		31.12.1999	31.12.1999
		千港元	千港元
		HK\$'000	HK\$'000
稅項支出包括：	The charge comprises:		
中國所得稅	PRC income tax	4,286	15,921
遞延稅項(附註19)	Deferred taxation (note 19)	(2,971)	(3,871)
分佔合營企業之 中國所得稅	Share of PRC income tax of a jointly controlled entity	1,257	2,167
		2,572	14,217

根據中華人民共和國(「中國」)之適用法律及條例，本集團於中國之附屬公司及合營企業可由彼等之首個獲利年度起兩年內獲免繳中國所得稅。此等公司亦可在其後三年獲減免50%中國所得稅。

正大青春寶藥業有限公司(「杭州青春寶」)之稅務豁免及減免期已過去。但根據當地稅務機關於一九九八年九月十六日發出之批文，杭州青春寶列為認可「高科技企業」。因此，杭州青春寶在截至二零零零年十二月三十一日止三年內可以優惠稅率12%繳付中國所得稅。

Pursuant to the relevant laws and regulations in the mainland People's Republic of China (the "PRC"), the Group's PRC subsidiary and jointly controlled entity are entitled to exemption from PRC income tax for two years commencing from their first profit-making year of operation and thereafter, they are entitled to a 50% relief from PRC income tax for the following three years.

The tax holiday for 正大青春寶藥業有限公司 (Chia Tai Qingchunbao Pharmaceutical Co., Ltd.) ("Hangzhou Qingchunbao") has expired. However, pursuant to an approval received from local tax authorities on 16th September, 1998, Hangzhou Qingchunbao was classified as one of the approved "High Technology entities". Accordingly, Hangzhou Qingchunbao is entitled to a preferential PRC income tax rate of 12% for the three years ending 31st December, 2000.

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

7. 所得稅費用(續)

本年乃該合營企業之第四個經營獲利年度，可獲以27%稅率減免一半之稅務優惠計算中國所得稅，而其附屬公司均按33%計算中國所得稅。

在本期間/年度內，本集團並無任何未撥備之重大遞延稅項。

8. 本期間溢利

於本集團本期間溢利中，9,666,000港元已於本公司之財務報表列帳。

9. 每股盈利

基本每股盈利乃按本期溢利24,355,000港元及本期已發行股份之加權平均數276,512,622股計算。

備考基本每股盈利乃按本年度備考合併溢利71,483,000港元及本年度已發行股份之備考加權平均數489,068,493股計算。

7. INCOME TAX EXPENSES (continued)

During the year, the jointly controlled entity was in its fourth profitable year and was entitled to a 50% relief from PRC income tax at the applicable tax rate of 27%. Its subsidiaries are, however, subject to PRC income tax calculated at 33%.

The Group had no significant unprovided deferred taxation for the period/year.

8. PROFIT FOR THE PERIOD

Of the Group's profit for the period, a profit of HK\$9,666,000 has been dealt with in the financial statements of the Company.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the period of HK\$24,355,000 and the weighted average of 276,512,622 shares in issue during the period.

The calculation of the pro forma basic earnings per share is based on the pro forma combined profit for the year of HK\$71,483,000 and the pro forma weighted average of 489,068,493 shares in issue during the year.

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

10. 投資物業

10. INVESTMENT PROPERTY

集團

THE GROUP

千港元

HK\$'000

估值	At valuation	
於收購附屬公司時獲得	Acquired on acquisition of	
及於一九九九年	subsidiaries and balance	
十二月三十一日之結餘	at 31st December, 1999	12,000

於一九九九年十一月，本集團於收購附屬公司所獲得之物業投資價值為12,000,000港元。該物業投資於一九九九年十二月三十一日由一獨立物業估值師行，梁振英測量師行以公開市值現時用途為基準進行重估，這次重估並無任何盈餘或虧損產生。

In November 1999, the Group acquired the investment property on acquisition of subsidiaries at a consideration of HK\$12,000,000. The investment property was then revalued at 31st December, 1999 by C.Y. Leung & Company Limited, an independent property valuer, on an open market existing use basis. The revaluation did not give rise to any surplus or deficit.

本集團之物業投資以經營租約出租。

The Group's investment property is rented out under an operating lease.

本集團之物業乃位於中國之中期土地使用權物業。

The Group's investment property is situated in the PRC and is held under medium-term land use rights.

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

11. 物業、廠房及設備

11. PROPERTY, PLANT AND EQUIPMENT

		傢俬、裝置 及設備					
		土地及樓宇	Furniture, fixtures and equipment	汽車 Motor vehicles	廠房及機器 Plant and machinery	在建工程 Construction in progress	總數 Total
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團	THE GROUP						
成本值	COST						
收購附屬公司時獲得	Acquired on acquisition of subsidiaries	107,813	8,923	14,369	42,330	7,585	181,020
添置	Additions	—	3,155	—	49	1,405	4,609
轉帳	Transfers	5,801	35	118	1,032	(6,986)	—
出售	Disposals	—	(161)	(74)	(129)	(1,127)	(1,491)
於一九九九年 十二月三十一日	At 31st December, 1999	113,614	11,952	14,413	43,282	877	184,138
折舊及攤銷	DEPRECIATION AND AMORTISATION						
收購附屬公司時獲得	Acquired on acquisition of subsidiaries	20,766	7,969	8,323	14,208	—	51,266
本期間準備	Provided for the period	758	253	275	637	—	1,923
出售時撇除	Eliminated on disposals	—	(130)	(23)	(69)	—	(222)
於一九九九年 十二月三十一日	At 31st December, 1999	21,524	8,092	8,575	14,776	—	52,967
帳面淨值	NET BOOK VALUE						
於一九九九年 十二月三十一日	At 31st December, 1999	92,090	3,860	5,838	28,506	877	131,171

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

11. 物業、廠房及設備(續)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

		傢俬、裝置及設備 Furniture, fixtures and equipment 千港元 HK\$'000
本公司	THE COMPANY	
成本值	COST	
於本期間添置及於一九九九年 十二月三十一日之結餘	Acquired during the period and balance at 31st December, 1999	3,096
折舊	DEPRECIATION	
於本期間準備及於一九九九年 十二月三十一日之結餘	Provided for the period and balance at 31st December, 1999	58
帳面淨值	NET BOOK VALUE	
於一九九九年十二月三十一日	At 31st December, 1999	3,038

本集團之物業乃位於中國之中期土地
使用權物業。

The Group's property interests are situated in the PRC
and are held under medium-term land use rights.

12. 於附屬公司權益

12. INTERESTS IN SUBSIDIARIES

		本公司 THE COMPANY 千港元 HK\$'000
非上市股份之成本	Unlisted shares, at cost	242,429

於一九九九年十二月三十一日本公
司之附屬公司之詳情刊載於附註
27。

Details of the Company's subsidiaries at 31st
December, 1999 are set out in note 27.

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一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

13. 於合營企業權益

13. INTEREST IN A JOINTLY CONTROLLED ENTITY

		本集團 THE GROUP 千港元 HK\$'000
於合營企業所佔資產淨值	Share of net asset of a jointly controlled entity	90,181

本集團之合營企業權益，是指於上海家化之40%股權。該公司根據中國法律成立，並從事製造，分銷及銷售個人護理產品及化妝品。

The Group's investment represents a 40% equity interest in Shanghai Jahwa, a company which is incorporated in the PRC and is engaged in the manufacture, distribution and sale of personal care and cosmetics products.

上海家化之財務料已摘錄於附註28。

A summary of the financial information of Shanghai Jahwa is set out in note 28.

14. 存貨

14. INVENTORIES

		本集團 THE GROUP 千港元 HK\$'000
原料	Raw materials	5,545
在製品	Work in progress	7,779
製成品	Finished goods	23,201
		36,525

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

15. 短期銀行及其他貸款

15. SHORT-TERM BANK AND OTHER BORROWINGS

		本集團 THE GROUP 千港元 HK\$'000
無抵押短期銀行貸款	Unsecured short-term bank loans	33,738
其他短期貸款(見附註26(II)(a))	Other short-term loan (note 26 (II)(a))	9,346
		43,084

其他短期貸款乃指杭州青春寶一少數股東所借之無抵押貸款，月息0.4%，此短期貸款須於二零零零年十二月三十一日或以前償還。

The other short-term loan, representing an advance from a minority shareholder of Hangzhou Qingchunbao, is unsecured, interest bearing at 0.4% per month and is repayable on or before 31st December, 2000.

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

16. 發行股本

16. ISSUED CAPITAL

		普通股股份數目	數額
		Number of ordinary shares	Amount 千港元 HK\$'000
法定股本：	Authorised:		
普通股每股0.10港元	Ordinary shares of HK\$0.10 each		
— 於註冊成立日期及 一九九九年十二月 三十一日	— on incorporation and at 31st December, 1999	1,000,000,000	100,000
已發行及繳足股本：	Issued and fully paid:		
普通股每股0.10港元	Ordinary shares of HK\$0.10 each		
— 發行股本予初步認購者	— issue of shares to initial subscribers	2	—
— 發行新股用作收購 附屬公司之股份	— issue of new shares on acquisition of subsidiaries	477,799,998	47,780
— 配售予專業及基金 投資者及發行 新股予公眾	— placing of new shares to professional and institutional investors and issue of new shares to the public	110,000,000	11,000
— 行使額外配股權	— issue of shares on exercise of over-allotment option	32,200,000	3,220
— 於一九九九年 十二月三十一日結餘	— balance at 31st December, 1999	620,000,000	62,000

本公司於一九九九年九月十七日註冊成立，當時之法定股本為100,000,000港元，分為1,000,000,000股普通股每股面值0.10港元之股份。

The Company was incorporated on 17th September, 1999 with an authorised share capital of HK\$100,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.10 each.

於一九九九年九月二十日，本公司向初步認購者配發及發行2股股份。

On 20th September, 1999, 2 shares were allotted and issued to the initial subscribers.

由一九九九年九月十七日(成立日)至
一九九九年十二月三十一日止期間

for the period from 17th September, 1999 (date of incorporation) to
31st December, 1999

16. 發行股本(續)

於一九九九年十一月十一日，本公司之唯一股東通過書面議決案：

- (a) 本公司發行合共477,799,998股普通股每股面值0.10港元之股份，作為集團重組收購附屬公司之代價，詳情已列於財務報表附註1；
- (b) 在有關條件已實現下，本公司於一九九九年十一月二十九日以配售及發行股份形式，發行110,000,000股普通股每股面值0.10港元之股份予專業及機構投資者及公眾，每股1.63港元。

根據本公司及BNP百富勤證券有限公司(「BNP百富勤」)代表公開發售包銷商及配售包銷商於一九九九年十一月二十二日所簽定之包銷協議，BNP百富勤獲本公司配售每股1.63港元行使價之32,200,000股額外配股權。於一九九九年十二月十七日，BNP百富勤已行使此配股權。

本公司擬將所得款項淨額用於設立研究及開發基地、提高生產力及擴大銷售網絡及作為一般營運基金。

本期間所發行之股份在各方面均與本公司當時已發行之股份具同等權益。

16. ISSUED CAPITAL (continued)

By written resolutions of the sole shareholder of the Company dated 11th November, 1999:

- (a) the Company issued a total of 477,799,998 new ordinary shares of HK\$0.10 each for the acquisition of subsidiaries pursuant to the group reorganisation as stated in note 1;
- (b) subject to certain conditions which were subsequently fulfilled, by means of placing of new shares to professional and institutional investors and issue of new shares to the public, the Company issued 110,000,000 new ordinary shares of HK\$0.10 each at a price of HK\$1.63 per share on 29th November, 1999.

Pursuant to the underwriting agreement entered into between the Company and BNP Prime Peregrine Securities Limited ("BNP Prime Peregrine") on behalf of the public offer underwriters and the placing underwriters on 22nd November, 1999, BNP Prime Peregrine has exercised the over-allotment option to require the Company to issue 32,200,000 additional new ordinary shares at a price of HK\$1.63 per share. The additional new ordinary shares were issued on 17th December, 1999.

The Company intends to use the net proceeds from the new issue of shares to finance the Group's research and development base establishment, expansion of production capacity and sales network and general working capital requirements.

All the shares which were issued during the period rank pari passu with the then existing shares in all respects.

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17. 購股期權計劃

根據本公司於一九九九年十一月十一日採納之購股期權計劃(「該計劃」)，本公司可授予本公司或其附屬公司之執行董事及全職僱員購股期權以認購本公司股份，而每批購股期權則收取港幣1元作為授出代價。購股期權可在配發當日後滿三年之日起計之任何期間隨時行使，而該期間之屆滿日期則以董事會釐定之日期或二零零九年十一月十日(較早為準)。最高認購股數不得超過本公司在任何時候之已發行股本百分之十。

於結算日，本公司並沒有就此計劃授予購股期權。

17. SHARE OPTION SCHEME

Pursuant to the Company's share option scheme adopted on 11th November, 1999 (the "Scheme"), the Company may grant options to executive directors and full time employees of the Company or its subsidiaries to subscribe for shares in the Company for a consideration of HK\$1 for each lot of share options granted. Options granted are exercisable at any time commencing on the expiry of three years after the date the options are granted and expiring on such date as determined by the directors or 10th November, 2009, whichever is the earlier. The maximum number of shares in respect of which options may be granted shall not exceed 10% of the issued share capital of the Company from time to time.

At the balance sheet date, no option was granted by the Company under the Scheme.

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18. 儲備

18. RESERVES

				中國		
				法定儲備		
		股份溢價	實繳盈餘	PRC	保留溢利	總額
		Share premium	Contributed surplus	statutory funds	Accumulated profit	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團	THE GROUP					
收購附屬公司產生之溢價	Reserve arising on acquisition of subsidiaries	—	194,649	—	—	194,649
發行股份予公眾所產生之溢價	Premium arising on public issue of shares	217,566	—	—	—	217,566
發行股份有關之支出	Expenses incurred in connection with the issue of shares	(25,436)	—	—	—	(25,436)
本期間溢利	Profit for the period	—	—	—	24,355	24,355
轉帳	Transfers	—	—	1,500	(1,500)	—
於一九九九年十二月三十一日	At 31st December, 1999	192,130	194,649	1,500	22,855	411,134
來自：	Attributable to:					
— 本公司及附屬公司	— the Company and subsidiaries	192,130	194,649	—	21,067	407,846
— 合營企業	— a jointly controlled entity	—	—	1,500	1,788	3,288
		192,130	194,649	1,500	22,855	411,134
本公司	THE COMPANY					
收購附屬公司產生之溢價	Reserve arising on acquisition of subsidiaries	—	194,649	—	—	194,649
發行股份予公眾所產生之溢價	Premium arising on public issue of shares	217,566	—	—	—	217,566
發行股份有關之支出	Expenses incurred in connection with the issue of shares	(25,436)	—	—	—	(25,436)
本期間溢利	Profit for the period (note 8)	—	—	—	9,666	9,666
於一九九九年十二月三十一日	At 31st December, 1999	192,130	194,649	—	9,666	396,445

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一九九九年十二月三十一日止期間

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18. 儲備(續)

實繳盈餘乃指本公司收購附屬公司之資產淨值總額與本公司就是項收購而發行之股份面值之差額。

中國法定儲備乃本集團於中國之合營企業，根據中國法例而作撥備。

於一九九九年十二月三十一日，本公司可分派予股東之儲備為約396.4百萬港元，當中包括本公司股份溢價、實繳盈餘及保留溢利之總和。

19. 遞延稅項

遞延稅項負債主要乃杭州青春寶根據香港一般認可之會計政策而編撰之財務報表及中國法定財務報表對收入及支出有不同入帳期而產生稅務影響。

於結算日，本集團及本公司並無任何未撥備之重大遞延稅項。

18. RESERVES (continued)

The contributed surplus represents the difference between the net assets of the subsidiaries acquired by the Company and the nominal value of the Company's shares issued for the acquisition.

PRC statutory funds are reserves required by the relevant PRC laws applicable to the Group's PRC jointly controlled entity.

The Company's reserves available for distribution to shareholders as at 31st December, 1999 represents the aggregate of share premium, contributed surplus and accumulated profit of approximately HK\$396.4 million.

19. DEFERRED TAXATION

The deferred tax liability represents principally the tax effect of the recognition of income and expenses by Hangzhou Qingchunbao in different accounting periods with regard to its financial statements prepared in accordance with accounting principles generally accepted in Hong Kong and its PRC statutory financial statements.

The Group and the Company had no significant unprovided deferred taxation at the balance sheet date.

		本集團 THE GROUP 千港元 HK\$'000
收購附屬公司時獲得	Acquired an acquisition of subsidiaries	5,071
本期間撥回(附註7)	Credit for the period (note 7)	(2,971)
結轉往下年度	Balance carried forward	2,100

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**20. 除稅前之經常性溢利與經營業務
之現金流入淨值之對賬**

**20. RECONCILIATION OF PROFIT FROM ORDINARY
ACTIVITIES BEFORE TAXATION TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

		千港元
		HK\$'000
除稅前之經常性溢利	Profit from ordinary activities before taxation	36,248
利息收入，包括於公司 發行股份所收認購 新股款項所獲得之利息	Interest income, including interest on application monies received on listing of the Company's shares	(12,854)
銀行及其他貸款利息	Interest on bank and other borrowings	966
分佔合營企業溢利	Share of profit of a jointly controlled entity	(4,545)
物業、廠房及設備 之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	1,923
出售物業、廠房及設備 之虧損	Loss on disposal of property, plant and equipment	1,269
減少存貨	Decrease in inventories	111
減少貿易及其他應收款項	Decrease in trade and other receivables	73,111
減少貿易及其他應付款項	Decrease in trade and other payables	(68,185)
經營業務之現金流入淨值	Net cash inflow from operating activities	28,044

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21. 購買附屬公司

21. PURCHASE OF SUBSIDIARIES

		千港元
		HK\$'000
購入資產淨值：	Net assets acquired:	
投資物業	Investment property	12,000
物業、廠房及設備	Property, plant and equipment	129,754
於合營企業權益	Interest in a jointly controlled entity	86,893
存貨	Inventories	36,636
貿易及其他應收款項	Trade and other receivables	199,313
銀行存款	Bank deposits	15,190
銀行結存及現金	Bank balances and cash	93,484
貿易及其他應付款項	Trade and other payables	(151,429)
應付稅項	Taxation payable	(4,287)
短期銀行及其他貸款	Short-term bank and other borrowings	(43,084)
少數股東權益	Minority interests	(126,970)
遞延稅項	Deferred taxation	(5,071)
資產淨值	Net assets	242,429
來自：	Satisfied by:	
發行公司新股	Issue of shares of the Company	242,429
與收購附屬公司有關之 現金及等同現金項目 淨值流入分析：	Analysis of inflow of cash and cash equivalents in connection with the purchase of subsidiaries:	
所得銀行結存及現金	Bank balances and cash acquired	93,484

自收購以後與結賬日期間，所收購之附屬公司為本集團帶來約27.5百萬港元之經營業務現金流入，就投資回報及融資成本上帶來約0.6百萬港元，並用了約1.5百萬港元於投資業務。

During the period since acquisition, the subsidiaries acquired have contributed approximately HK\$27.5 million to the Group's net operating cash flows, received approximately HK\$0.6 million in respect of returns on investments and servicing of finance and utilised approximately HK\$1.5 million on investing activities.

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22. 本年度融資變動之分析

22. ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD

		發行股本、股份 溢價及實繳盈餘 Issued capital, share premium and contributed surplus 千港元 HK\$'000
發行股份所得現金	Issue of shares for cash	231,786
發行股份用作收購附屬公司	Issue of shares for acquisition of subsidiaries	242,429
發行股份有關之支出	Expenses incurred in connection with the issue of shares	(25,436)
於一九九九年 十二月三十一日	At 31st December, 1999	448,779

23. 經營租約承擔

23. OPERATING LEASE COMMITMENTS

於結算日本集團及本公司有不可取消之經營租約，承諾於來年內付下列土地及樓宇之租金，該等租約期限如下：

At the balance sheet date, the Group and the Company were committed to make the following rental payments for land and buildings in the next year under non-cancellable operating leases which expire:

		本集團 THE GROUP 千港元 HK\$'000	本公司 THE COMPANY 千港元 HK\$'000
一年內	Within one year	1,567	—
第二年至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	924	924
		2,491	924

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23. 經營租約承擔(續)

以上包括本集團及本公司分別須支
付予關連人士約0.9百萬港元之經營
租約承擔。

23. OPERATING LEASE COMMITMENTS (continued)

Included in the above are operating lease commitments
of approximately HK\$0.9 million payable by the
Company to a connected party.

24. 資本性承擔

24. CAPITAL COMMITMENTS

本集團

THE GROUP

千港元

HK\$'000

已簽約但未於財務報表中 撥備投資於一有可能成立之 中國附屬公司之資本性開支	Capital expenditure contracted for but not provided in the financial statements in respect of investment in a proposed PRC subsidiary	2,804
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已批准但未簽約之收購物業、 廠房及設備之資本性開支	Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	1,024
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除上述外，本集團分佔合營企業之
資本性承擔如下：

In addition to the above, the Group's share of capital
commitments of the jointly controlled entity is as
follows:

本集團

THE GROUP

千港元

HK\$'000

已批准但未簽約之收購物業、 廠房及設備之資本性開支	Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	12,710
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於結算日，本公司並無任何資本性
承擔。

The Company had no capital commitments at the
balance sheet date.

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25. 退休福利計劃

本公司及其香港之附屬公司為所有合資格僱員提供定額供款退休金計劃。該計劃之資產由獨立受保人管理之信託基金持有。自收益表中扣除之退休金成本為本公司按照該計劃之條款所訂定之比率計算應付予該基金之供款金額。倘僱員在完全符合獲取全部供款資格前退出該計劃，有關之僱主供款部份可予減低。本公司及其附屬公司將來應付之供款金額。

杭州青春寶之僱員乃中國政府設立之國家管理退休福利計劃之成員。杭州青春寶須按固定薪金百分率供款予該等退休福利計劃以資助有關福利。本集團就退休福利計劃之唯一責任為根據該等計劃作出供款。

於結算當日，並無僱員退出退休福利計劃而產生的放棄供款，此等放棄供款可於未來年度減低應付供款。

25. RETIREMENT BENEFITS SCHEMES

The Company and its subsidiaries in Hong Kong operate defined contribution retirement benefits schemes for their qualifying employees. The assets of the schemes are held separately in funds which are under the control of independent trustees. The retirement benefits schemes contributions charged to the income statement represent contributions payable by the Company and its subsidiaries in Hong Kong to the funds at rates specified in the rules of the schemes. When there are employees who leave the schemes prior to becoming fully vested in the contributions, the amount of the forfeited contributions will be used to reduce future contributions payable by the Company and its subsidiaries in Hong Kong.

The employees employed Hangzhou Qingchunbao are members of a state-managed retirement benefits scheme operated by the PRC government. Hangzhou Qingchunbao is required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

No forfeited contributions are available to reduce the contribution payable in the future years.

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**26. 關連及有關人士之
交易及結餘**

(I) 關連人士

- (a) 於本期間／年度，本集團與若干有關人士曾進行重大交易及結餘，當中包括若干按創業板上規規則被視為關連人士。在本期間／年度與此等關連人士重大交易及在結算日之重大結餘如下：

**26. CONNECTED AND RELATED PARTY
TRANSACTIONS AND BALANCES**

(I) CONNECTED PARTIES

- (a) During the period/year, the Group had significant transactions and balances with related parties, some of which are also deemed to be connected parties pursuant to the Rules Governing the Listing of Securities on the GEM. The significant transactions with the connected parties during the period/year, and significant balances with them at the balance sheet date, are as follows:

		(附註 1)	
		(Note 1)	
		備考合併	
		綜合	Pro forma
		Consolidated	combined
		17.9.1999	1.1.1999
		至 to	至 to
公司名稱	交易／結餘性質	31.12.1999	31.12.1999
Name of company	Nature of transactions/balances	千港元	千港元
		HK\$'000	HK'000

同系附屬公司

Fellow subsidiaries

上海實業置業有限公司	支付土地及樓宇租金、管理費及冷氣費(附註i)		
SIIC Estate Company Limited	Rental, management fees and air-conditioning charges paid by the Group on land and buildings (note i)	181	181

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26. 關連及有關人士之
交易及結餘(續)

26. CONNECTED AND RELATED PARTY
TRANSACTIONS AND BALANCES (continued)

(I) 關連人士(續)

(I) CONNECTED PARTIES (continued)

		(附註1)	
		(Note 1)	
		備考合併	
		綜合	
		Consolidated	
		17.9.1999	
		31.12.1999	
		至 to	
		31.12.1999	
		至 to	
		千港元	
		千港元	
		HK\$'000	
		HK'000	
永發印務有限公司	於十二月三十一日應付之結餘 — 代付款項		
The Wing Fat Printing Company, Limited	Balance payable at 31st December — payment on behalf of the Group	374	
上海實業控股有限公司	於十二月三十一日應收之結餘 — 集團代付款項		
Shanghai Industrial Holdings Limited	Balance receivable at 31st December — payment on behalf by the Group	86	
董事	於十二月三十一日應付之結餘 — 應付酬金		
Directors	Balance payable at 31st December — accrued emoluments	702	

附註：

- (i) 租金乃按簽訂之租約支付，此等租約訂定之租金與簽署租約時由獨立專業物業評估師評定的公開市場價相同或相若。

Note:

- (i) The rental was charged in accordance with the relevant tenancy agreement and the prevailing rent is equivalent or approximate to the open market rental as certified by an independent firm of professional property valuer.

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**26. 關連及有關人士之
交易及結餘(續)**

(I) 關連人士(續)

(b) 與關連人士之經營租約
承擔刊載於附註23。

(c) 於一九九九年十二月三
十一日，上海實業控股
有限公司(居間控股公
司)因一間銀行授予本公
司之信貸額而作出之5百
萬港元之擔保。

**26. CONNECTED AND RELATED PARTY
TRANSACTIONS AND BALANCES (continued)**

(I) CONNECTED PARTIES (continued)

(b) Details of operating lease commitments
with a connected party are set out in note
23.

(c) At 31st December, 1999, the intermediate
holding company, Shanghai Industrial
Holdings Limited, had given a guarantee of
HK\$5 million to a bank in respect of credit
facilities extended to the Company.

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**26. 關連及有關人士之
交易及結餘(續)**

(II) 除關連人士外之有關人士(續)

- (a) 於本期間/年度, 本集團與有關人士(除關連人士外)之重大交易及結算日之重大結餘如下:

**26. CONNECTED AND RELATED PARTY
TRANSACTIONS AND BALANCES (continued)**

**(II) RELATED PARTY, OTHER THAN CONNECTED
PARTY (continued)**

- (a) During the period/year, the Group had significant transactions with related companies, other than connected parties, and significant balances with them at the end of the period, as follows:

公司名稱 Name of company	交易/結餘性質 Nature of transactions/balances	(附註1) (Note 1) 備考合併 Pro forma combined	
		綜合 Consolidated 17.9.1999 至 to 31.12.1999 千港元 HK\$'000	1.1.1999 至 to 31.12.1999 千港元 HK'000
本公司中國附屬公司之 少數股東, 杭州青春寶:			
<i>Minority shareholders of the Company's PRC subsidiary, Hangzhou Qingchunbao:</i>			
中國(杭州)青春寶集團公司 (「中國青春寶」) 及其附屬公司 (China (Hangzhou) Qingchunbao Group Co.) ("China Qingchunbao") and its subsidiaries	銷售藥物及健康成品(附註i) Sales of finished medicine and health products (note i)	2,905	15,154
	購買原料(附註ii) Purchase of materials (note ii)	199	1,006
	出售物業、廠房及設備 Sales of fixed assets	—	140
	已付利息(附註iii) Interest paid (note iii)	75	449

由一九九九年九月十七日(成立日)至
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26. 關連及有關人士之
交易及結餘(續)

26. CONNECTED AND RELATED PARTY
TRANSACTIONS AND BALANCES (continued)

(II) 除關連人士外之有關人士(續)

(II) RELATED PARTY, OTHER THAN CONNECTED
PARTY (continued)

公司名稱 Name of company	交易／結餘性質 Nature of transactions/balances	(附註1) (Note 1) 備考合併 綜合 Pro forma combined	
		31.12.1999 至 to 千港元 HK\$'000	31.12.1999 至 to 千港元 HK'000
於十二月三十一日之應收／應付結餘 Balance due from/to at 31st December			
	— 貿易應收款項 — trade receivables	3,483	
	— 短期貸款(附註15) — short-term loan (note 15)	9,346	
	— 貿易應付款項 — trade payable		143

附註：

Notes:

- | | |
|---|--|
| <p>(i) 該等交易乃按市場價進行，或倘無市場價值可供參考，則按成本加上若干百分比之利潤。</p> <p>(ii) 該等交易乃按市場價進行，或倘無市場價值可供參考，則按雙方釐定及協議之條款進行。</p> <p>(iii) 此貸款之未償還餘額乃按照有關借貸協議書按月息0.4%收取利息。</p> | <p>(i) These transactions were carried out at market price or, where no market price was available, at cost plus a percentage profit mark-up.</p> <p>(ii) These transactions were carried out at market price or, where no market price available, at terms determined and agreed by both parties.</p> <p>(iii) The interest was charged at 0.4% per month on the outstanding loan balance in accordance with the relevant loan agreement.</p> |
| <p>(b) 於一九九九年十二月三十一日，中國青春寶因一些銀行授予杭州青春寶之信貸額而作出33.7百萬港元之擔保。</p> | <p>(b) At 31st December, 1999, China Qingchunbao had given guarantees totalling HK\$33.7 million to certain banks in respect of credit facilities extended to Hangzhou Qingchunbao.</p> |

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27. 附屬公司

於一九九九年十二月三十一日，本
公司之附屬公司詳情如下：

27. SUBSIDIARIES

Details of the Company's subsidiaries at 31st
December, 1999 are as follows:

附屬公司名稱 Name of subsidiary	註冊或成立 地點／經營地點 Place of incorporation or establishment/ operations	已發行及 繳足股本／ 註冊資本 Nominal value of issued and fully paid share capital/ registered capital	本公司應佔 已發行股本／ 註冊資本比率 Attributable proportion of nominal value of issued/registered capital held by the Company		主要業務 Principal activities
			直接 Directly	間接 Indirectly	
正大青春寶藥業有限公司 (Chia Tai Qingchunbao Pharmaceutical Co., Ltd.)	中國 PRC	128,500,000人民幣 RMB128,500,000	—	55%	製造及銷售中國 藥物及健康食品 Manufacture and sale of Chinese medicine and health food
正大健康產品有限公司 Chia Tai Health Products Company Limited	香港 Hong Kong	普通股 — 2美元 Ordinary shares — US\$2 無投票權遞延股 — 2美元 Non-voting deferred shares — US\$2	—	91.67%	投資控股 Investment holding
Golden News Enterprises Limited	英屬處女群島 British Virgin Islands	60美元 US\$60	—	91.67%	投資控股 Investment holding

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27. 附屬公司(續)

27. SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	註冊或成立 地點/經營地點 Place of incorporation or establishment/ operations	已發行及 繳足股本/ 註冊資本 Nominal value of issued and fully paid share capital/ registered capital	本公司應佔 已發行股本/ 註冊資本比率 Attributable proportion of nominal value of issued/registered capital held by the Company		主要業務 Principal activities
			直接 Directly	間接 Indirectly	
SIMST Medical Science and Technology Development Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	100%	—	投資控股 Investment holding
上實日化控股有限公司 S.I. Daily Chemical Holdings Ltd.	英屬處女群島 British Virgin Islands	56,250美元 US\$56,250	100%	—	投資控股 Investment holding

此等遞延股份無權收取有關公司任何股東大會之通告或出席或在該大會上投票，而其實際上亦無權收取股息或在公司清盤時獲得任何分派。

The deferred shares carry no rights to receive notice of or to attend or vote at any general meeting of the respective company and have practically no rights to dividends or to participate in any distributions on winding up.

除 Golden News Enterprises Limited, SIMST Medical Science and Technology Development Limited 及上實日化控股有限公司在香港經營業務外，其他的均在註冊或成立地點經營業務。

The principal activities are carried out in place of incorporation or establishment except that Golden News Enterprises Limited, SIMST Medical Science and Technology Development Limited and S.I. Daily Chemical Holdings Ltd. operate in Hong Kong.

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27. 附屬公司(續)

各附屬公司於結算日及本期間內任何時間並無任何未償還之債務證券。

28. 本集團合營企業之 財務資料摘錄

截至一九九九年十二月三十一日止年度，上海家化最近期之經審核財務資料摘錄如下：

本期間／年度之經營業績：

27. SUBSIDIARIES (continued)

None of the subsidiaries had any debt securities outstanding at the end of the period, or at any time during the period.

28. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP'S JOINTLY CONTROLLED ENTITY

The following is a summary of the most recent audited financial information of Shanghai Jahwa for the period ended 31st December, 1999:

Results for the period/year:

		(附註1)	
		(Note 1)	
		備考合併	
	綜合	Pro forma	
	Consolidated	combined	
	17.9.1999	1.1.1999	
	至 to	至 to	
	31.12.1999	31.12.1999	
	千港元	千港元	
	HK\$'000	HK\$'000	
營業額	Turnover	178,472	849,564
除稅前經常業務溢利	Profit from ordinary activities before taxation	11,363	36,778
本集團應佔除稅前 經常業務溢利	Profit from ordinary activities before taxation attributable to the Group	4,545	14,711

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28. 本集團合營企業之 財務資料摘錄(續)

財政狀況：

28. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP'S JOINTLY CONTROLLED ENTITY (continued)

Financial position:

		於 At 31.12.1999 千港元 HK\$'000
非流動資產	Non-current assets	342,776
流動資產	Current assets	454,182
流動負債	Current liabilities	(552,981)
非流動負債	Non-current liabilities	(18,525)
淨資產	Net assets	225,452
本集團應佔之淨資產	Net assets attributable to the Group	90,181

29. 結帳日後事項

於二零零零年二月十八日，本公司與 Cyber-Care Inc. (「CYBER」) 訂立一份具法律約束力之協議備忘錄 (「協議備忘錄」)，成立一合營公司。本公司將以代價 100 萬美元投資於此合營公司。此合營公司之業務將為亞洲 (日本、台灣、印度、澳洲及新西蘭除外) 地區推廣、應用 Cyber-Care Electronic Housecall System 及提供有關服務。協議備忘錄之有效期由二零零零年二月十八日起計六十個曆日，如期間尚未

29. POST BALANCE SHEET EVENTS

On 18th February, 2000, the Company entered into a binding Memorandum of Agreement ("MOA") with Cyber-Care Inc. ("CYBER") for the establishment of a joint venture. Pursuant to the MOA, the Company will subscribe for part of the issued share capital of the proposed joint venture for a consideration of US\$1,000,000. The proposed joint venture will be engaged in the marketing, application and service rendering of the Cyber-Care Electronic Housecall System in Asia, other than Japan, Taiwan, India, Australia and New Zealand. The MOA will be valid for sixty calendar days from 18th February 2000. If

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正式簽訂及交換具體協議，則本公司或 CYBER 均可以書面形式通知另一方終止協議備忘錄。

definitive agreements cannot be executed and exchanged upon on or before the expiry date, either the Company or CYBER shall be entitled to terminate the MOA by written notice to the other party.

於二零零零年三月十七日，本公司一全資附屬公司與上海醫藥信息股份有限公司(「信息公司」)訂立一份股份認購協議，以代價人民幣12,000,000元購買4,000,000股份。當交易完成後，本集團將佔信息公司20%股本。信息公司成立於中國並從事互聯網醫藥信息服務及電子商貿業務。

On 17th March, 2000, a wholly owned subsidiary of the Company has entered into a share subscription agreement with Shanghai Medical Information Limited ("Information Limited"), a company established in the PRC, for the subscription of 4,000,000 shares in Information Limited at a consideration of RMB12,000,000. Upon the completion of the subscription agreement, the Group will have a 20% interest in Information Limited. Information Limited is engaged in the provision of pharmaceutical information service on internet and e-commerce.

截至十二月三十一日止年度

Year ended 31st December,

		1997	1998	1999
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
業績	RESULTS			
營業額	Turnover	313,264	375,373	424,780
銷售成本	Cost of sales	(116,306)	(128,643)	(144,440)
毛利	Gross profit	196,958	246,730	280,340
其他收入	Other revenue	—	2,847	19
分銷費用	Distribution costs	(83,117)	(113,212)	(133,267)
行政費用	Administrative expenses	(35,545)	(44,605)	(48,203)
中國銷售稅退稅	PRC sales tax refund	24,069	27,376	—
經營溢利	Profit from operations	102,365	119,136	98,889
財務費用	Finance costs	(4,901)	(4,079)	(2,975)
投資收益	Investment income	1,127	1,880	16,087
分佔合營企業溢利	Share of profit of a jointly controlled entity	11,775	13,861	14,711
除稅前經常業務溢利	Profit from ordinary activities before taxation	110,366	130,798	126,712
所得稅費用	Taxation	(13,356)	(13,793)	(14,217)
未計少數股東權益前溢利	Profit before minority interests	97,010	117,005	112,495
少數股東權益	Minority interests	(38,231)	(47,416)	(41,102)
本年度溢利	Profit for the year	58,779	69,589	71,483

附註：

Notes:

- 截至一九九九年十二月三十一日止三個年度之業績乃假設本集團之架構已於一九九七年一月一日已經存在，而按備考合併基準編製。
- 本公司於一九九九年九月十七日在開曼群島註冊成立。按此，本集團所擁有之唯一資產負債表已刊載於第68頁。
- The results for each of the three years ended 31st December, 1999 have been prepared on a pro forma combined basis as if the group structure immediately after the group reorganisation had been in existence since 1st January, 1997.
- The Company was incorporated in the Cayman Islands on 17th September, 1999. Accordingly, the only balance sheet for the Group that has been prepared is those set out on page 68.

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for the year ended 31st December, 1999

按主要業務及市場地區劃分之本集團備考合併營業額及經營溢利貢獻之分析如下：

An analysis of the Group's pro forma combined turnover and contribution to operating profit by principal activity and geographical region is as follows:

		營業額 Turnover 千港元 HK\$'000	經營溢利 Operating profit 千港元 HK\$'000
業務	Activity		
消費品	Consumer products	424,780	100,494
加：利息收入 — 淨值	Add: Interest income — net		11,507
分佔合營企業溢利	Share of profit of a jointly controlled entity		
— 消費品	— Consumer products		14,711
除稅前經常業務溢利	Profit from ordinary activities before taxation		126,712
市場地區	Geographical region		
中國大陸	Mainland People's Republic of China	420,552	99,494
其他地區	Other areas	4,228	1,000
		424,780	100,494
加：利息收入 — 淨值	Add: Interest income — net		11,507
分佔合營企業溢利	Share of profit of a jointly controlled entity		14,711
除稅前經常業務溢利	Profit from ordinary activities before taxation		126,712

茲通告上海實業醫藥科技(集團)有限公司(「本公司」)謹訂於二零零零年五月八日(星期一)下午三時正假座香港灣仔告士打道三十九號夏慤大廈二十六樓會議室召開股東週年大會，以便討論及處理下列事項：

1. 省覽本公司由一九九九年九月十七日(成立日)至一九九九年十二月三十一日止期間之經審核財務報告及董事會與核數師報告書。
2. (a) 重選退任董事。
(b) 授權董事會釐定董事酬金。
3. 續聘核數師及授權董事會釐定其酬金。
4. 作為特別事項，考慮及酌情通過(不論是否作出修訂)下列決議為普通決議案：

「動議：

- A. 在本決議案下列規定之規限下，按照香港聯合交易所創業板市場之證券上市規則，一般性及無條件批准本公司董事會於有關期間(按下文之定義)內行使本公司之一切權力以配發、發行及處理本公司股份中之額外股份，以及作出或授予

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SIIC Medical Science and Technology (Group) Limited (the “Company”) will be held at the Conference Room, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 8th May, 2000 at 3:00 p.m. for the following purposes:

1. To receive and consider the Audited Financial Statements of the Company and the Reports of the Directors and the Auditors for the period from 17th September, 1999 (date of incorporation) to 31st December, 1999.
2. (a) To re-elect retiring Directors.
(b) To authorise the Board of Directors to fix Directors’ remuneration.
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.
4. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- A. Subject to the following provisions of this Resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional

將須或可能須行使此等權力方可作出或授予之售股建議、協議及優先購股權；

- B. 本決議案(A)段之批准乃本公司董事會所獲授任何其他權力以外之權力，該決議案授權本公司董事會於有關期間內作出或授予或需於有關期間結束後行使此等權力之售股建議、協議及優先購股權；
- C. 本公司董事會依據本決議案(A)段之批准而配發或有條件或無條件同意將予配發(不論是否依據優先購股權或其他原因)之股本面值總額不得超過於本決議案通過之日本公司已發行股本面值總額之20%，惟依據(i)供股(按下文之定義)；或(ii)任何優先認股計劃或當時採納之類似安排而向本公司及／或其任何附屬公司之高級人員及／或職員發行本公司股本中之股份或授出認購股份之權利；或(iii)任何根據本公司之公司組織章程細則配發股份以代替本公司股份之全部或部份股息而設之以股代息或類似安排而配發者除外，而上述之批准亦須受此限制；及

shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- B. the approval in paragraph (A) of this Resolution shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- C. the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise); or by the Directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

D. 就本決議案而言：

「有關期間」指由本決議案通過之時起至下列最早日期之期間：

- i. 本公司下屆股東週年大會結束時；
- ii. 本公司之公司組織章程細則或任何開曼群島之適用法例規定本公司下屆股東週年大會須予舉行期限屆滿之日；及
- iii. 本決議案准許之授權經由本公司股東在股東大會通過普通決議案撤銷或修訂之日；及

「供股」乃指於本公司或本公司董事會指定之期間內，向於指定記錄日期名列股東名冊內之股份持有人按彼等當時之持股比例提呈發售股份之建議（惟須受董事會就零碎股權或於考慮香港以外任何地區之任何法律限制或責任或任何認可監管機構或任何證券交易所之規定後認為必要或權宜之豁免或其他安排所規限）。」

D. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; and
- iii. the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Company or by the Directors of the Company to holders of shares on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. 作為特別事項，考慮並酌情通過（不論是否作出修訂）下列決議為普通決議案：

「動議：

- A. 在本決議案(B)段之規限下，一般性及無條件批准本公司董事會可於有關期間（按下文之定義）內行使本公司一切權力，以在香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）或本公司證券上市所在而證券及期貨事務監察委員會與聯交所就此認可之其他證券交易所，購回本公司股本中之普通股，惟須遵守及按照所有適用法律與聯交所創業板之證券上市規則及其他證券交易所之規定（按不時經修訂者）；
- B. 本公司依據本決議案(A)段之批准獲准購回之股份總面額，將不得超過本決議案通過之日本公司已發行股份之總面額10%，及本決議案(A)段之授權，須受此限制；及

5. As Special Business, to consider and if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- A. subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares in the capital of the Company on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- B. the aggregate nominal amount of share capital which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10 per cent of the aggregate nominal amount of the shares of the Company in issue at the date of the passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

C. 就本決議案而言：

「有關期間」乃指本決議案通過之日至下列最早日期之期間：

- i. 本公司下屆股東週年大會結束時；
- ii. 本公司之公司組織章程細則及任何開曼群島之適用法例規定本公司下屆股東週年大會須予舉行期限屆滿之日；及
- iii. 本決議案准許之授權經由本公司股東在股東大會通過普通決議案撤銷或修訂之日。」

6. 作為特別事項，考慮並酌情通過（不論是否作出修訂）下列決議為普通決議案：

「動議在本大會通告所載之第4及第5項決議案正式通過之條件下，擴大本公司董事會依據本大會通告第4項決議案獲授可行使本公司權力以配發及發行股份之一般授權限額，在本公司董事會依據該項一般授權可配發及發行或同意有條件或無條件配發及發行之股本總面值上，加以

C. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; and
- iii. the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. As Special Business, to consider and if thought fit, pass with or without any amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon resolutions Nos. 4 and 5 set out in the notice convening this meeting being duly passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot and issue shares pursuant to resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be

相等於本公司依據本大會通告所載第5項決議案授予之權力購回本公司股本之總面值數額，惟此數額不得超過本公司在本決議案通過日期之已發行股本總面值10%。

allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 5 set out in the notice convening this meeting, provided that such an amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution.”

承董事會命
黃美玲
公司秘書

By Order of the Board
Wong Mei Ling, Marina
Company Secretary

香港，二零零零年三月二十日

Hong Kong, 20th March, 2000

總辦事處：
香港灣仔
軒尼詩道48-62號
上海實業大廈10樓

Head Office:
10th Floor,
Shanghai Industrial Investment Building,
48-62 Hennessy Road,
Wanchai, Hong Kong

附註：

Notes:

1. 凡有權出席上述通告所召開之大會並於會上投票之股東可委任其他人士作代表，代表其出席大會並於會上投票。受委代表毋須為本公司之股東。
2. 隨附大會適用之代表委任表格。

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed.

3. 代表委任表格及經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本,必須於大會或其任何續會或投票表決(視情況而定)指定舉行時間48小時前送抵本公司之總辦事處,地址為香港灣仔軒尼詩道48-62號上海實業大廈10樓,方為有效。股東於填妥並交回代表委任表格後仍可親身出席大會及於會上或投票表決時投票。在此情況下,委任代表之文件將被視為經已撤銷。
 4. 本公司將於二零零零年五月四日(星期四)至二零零零年五月八日(星期一)(包括首尾兩天)暫停辦理股東登記,在該期間不會辦理股份過戶登記。
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the head office of the Company at 10th Floor, Shanghai Industrial Investment Building, 48-62 Hennessy Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be). Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
 4. The register of members of the Company will be closed from Thursday, 4th May, 2000, to Monday, 8th May, 2000, both days inclusive, during which period no transfer of shares will be effected.