



Annual Report **2003** 年報



**Venturepharm**

**Venturepharm Laboratories Limited**  
**萬全科技藥業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
(於百慕達註冊成立之有限公司)

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創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利紀錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之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之性質所然，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板所發佈之資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市公司一般毋須在憲報指定報章刊登付款公佈發佈資料。因此，有意投資之人士應注意彼等須閱覽創業板網頁[www.hkgem.com](http://www.hkgem.com)，以便取得創業板上市發行人之最新資料。

香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照創業板證券上市規則之規定提供有關萬全科技藥業有限公司之資料。萬全科技藥業有限公司各董事對本報告共同及個別承擔全部責任。萬全科技藥業有限公司之董事經作出一切合理查詢後確認，就彼等所知及所信：(i) 本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(ii) 並無遺漏任何其他事實，以致本報告所載任何內容產生誤導；及 (iii) 本報告內表達的一切意見乃經審慎周詳之考慮後方作出，並以公平合理之基準和假設為依據。

**Venturepharm Laboratories Limited**

萬全科技藥業有限公司

**(GEM Stock Code: 8225)****(創業板股份代號：8225)**

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Mr. William Xia GUO  
Dr. Uri Tak Kau LAW  
Dr. Maria Xue Mei SONG  
Dr. David Xuesong GAO

### NON-EXECUTIVE DIRECTORS

Dr. Tao FENG  
Mr. Xin WU  
Mr. Philip Pak Yiu YUEN

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ming Yu WU  
Mr. Paul CONTOMICHALOS

### REGISTERED OFFICE

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George Town, Grand Cayman  
Cayman Islands

### HEAD OFFICE

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<http://www.venturepharm.com>

### COMPANY SECRETARY

Mr. TONG Yiu Wai, Wesley FCCA, AHKSA, MBA, HKSI

### AUTHORISED REPRESENTATIVES

Mr. William Xia GUO  
Mr. TONG Yiu Wai, Wesley FCCA, AHKSA, MBA, HKSI

### COMPLIANCE OFFICER

Mr. William Xia GUO

### 執行董事

郭夏先生  
羅德球博士  
宋雪梅博士  
高雪松博士

### 非執行董事

馮濤博士  
吳欣先生  
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### 獨立非執行董事

吳明瑜先生  
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### 公司秘書

唐耀維先生 FCCA, AHKSA, MBA, HKSI

### 法定代表

郭夏先生  
唐耀維先生 FCCA, AHKSA, MBA, HKSI

### 監察主任

郭夏先生

### QUALIFIED ACCOUNTANTS

Mr. TONG Yiu Wai, Wesley FCCA, AHKSA, MBA, HKSI  
Mr. SHEN Jian Qing ACCA

### AUDIT COMMITTEE MEMBERS

Mr. WU Ming Yu  
Mr. Paul CONTOMICHALOS

### PRINCIPAL BANKERS

Royal Bank of Canada (Asia) Limited  
Agricultural Bank of China, Beijing Branch  
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### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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### LEGAL ADVISOR

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### SPONSOR

DBS Asia Capital Limited  
(Sponsor agreement expired on 11 January 2004)  
JS Cresvale Capital Limited  
(Sponsor agreement effective from 11 January 2004)

### AUDITORS

Deloitte Touche Tohmatsu

### GEM STOCK CODE

8225

### 合資格會計師

唐耀維先生 FCCA, AHKSA, MBA, HKSI  
沈建青先生 ACCA

### 審核委員會成員

吳明瑜先生  
Paul CONTOMICHALOS先生

### 主要往來銀行

加拿大皇家銀行(亞洲)有限公司  
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### 香港股份過戶登記分處

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### 法律顧問

史蒂文生黃律師事務所  
北京昂道律師事務所·李哲

### 保薦人

星展亞洲融資有限公司  
(保薦人協議於二零零四年一月十一日屆滿)  
日盛嘉富融資有限公司  
(保薦人協議於二零零四年一月十一日生效)

### 核數師

德勤·關黃陳方會計師行

### 創業板股份代號

8225

I am pleased to announce the audited consolidated results of Venturepharm Laboratories Ltd. (the "Company") and its subsidiaries (hereafter collectively referred to as the "Group") for the year ended 31 December 2003.

The Company followed its strategy to capture opportunities to evolve from a research and development ("R&D") company to a fully integrated pharmaceutical company. For the year ended 31 December 2003, the Group registered a consolidated turnover of approximately RMB35,680,000, an increase of 10% over the previous year. Profit attributable to shareholders was RMB20,360,000 (2002: RMB19,127,000). Earnings per share were RMB0.065 (2002: RMB0.0708).

### DIVIDENDS

The Board of Directors is recommending a final dividend of HK0.5 cent per share (2002: Nil) for approval at the forthcoming Annual General Meeting.

### GENERAL REVIEW

2003 was an extraordinary year in which the pharmaceutical market has been continuously changed and developed. Especially the sudden outbreak of the Severe Acute Respiratory Syndrome ("SARS") resulted in various negative effects on normal operation during the first half of the year. The Group's business performance picked up quickly in the second half of the year and achieved a steady performance for the 12 months ended 31 December 2003. The directors believe that there is an excellent outlook for the Group's financial performance in the foreseeable future on the assumption that (1) a continuously expanding pipeline held by the Group; and (2) an heightened market recognition of the Group's brand "Venturepharm"; and (3) a substantial growing demand for good quality drugs.

A significant period of transforming the Group's business has already begun with the following accomplishments:

- a successful listing of the Company's shares in the Hong Kong GEM market to tap the capital market for expediting expansion of our business, such as Manufacturing, Sales and Marketing capacity

本人欣然公佈萬全科技藥業有限公司(「本公司」)及其附屬公司(以下統稱「本集團」)截至二零零三年十二月三十一日止年度之經審核綜合業績。

本公司依照其策略，把握機會由一間從事研究及開發(「研發」)之公司蛻變為一間完全整合製藥公司。截至二零零三年十二月三十一日止年度，本集團錄得綜合營業額約人民幣35,680,000元，較上年度增加10%。股東應佔溢利為人民幣20,360,000元(二零零二年：人民幣19,127,000元)。每股盈利為人民幣0.065元(二零零二年：人民幣0.0708元)。

### 股息

董事會建議派發末期股息每股0.5港仙(二零零二年：零)，並須在應屆股東週年大會上通過。

### 整體回顧

二零零三年是非比尋常之一年，年內藥業市場不斷改變及發展，尤其在上半年時爆發嚴重急性呼吸道綜合症(「非典型肺炎」)為業務帶來多種負面影響。本集團之業務表現在下半年迅速好轉，並於截至二零零三年十二月三十一日止十二個月取得穩定表現。董事相信，基於(1)不斷拓展本集團之藥品渠道；及(2)本集團之品牌「萬全」進一步被市場認識；及(3)對優質藥品需求不斷增加之假設，本集團於可見將來之財務表現前景極佳。

本集團之業務轉型已取得以下成就：

- 本公司之股份在香港創業板市場成功上市，以在資本市場上籌集資金拓展業務，例如進行製造、銷售及市場推廣活動

- implementing policies of developing its capability in sales, marketing, and manufacturing to further enhance our competitive advantage
- reducing revenue dependence on Technology Transfer activities in order to preserve products for own commercialization and to maximize the return on investment
- forming strategic partnership, through collaboration and/or acquisition, to help expanding its product pipeline
- 落實政策以發展其銷售、市場推廣及製造實力，進一步提高本公司之競爭優勢
- 收入減少依賴技術轉讓業務，以預留產品作商品化用途及盡量提高回報
- 透過合作及／或收購組成策略夥伴關係，以拓展其產品渠道

The Group's track record in new drugs R&D and customer base achievement have propelled it to a leading position in the new drug products and pharmaceutical development service provider in China market. Various growth strategies are implemented such as product/technology expansion; integrated services development; complete vertical business operation; strategic acquisition and partnership; overseas markets development and brand recognition.

We believe most of the pharmaceutical companies in China do not have full capability on developing new products, neither a competitive technology base for commercialization. Therefore, demand for pharmaceutical development services and clinical research services are expected to provide ample opportunity. The Group's Technical Marketing Team will continue to focus on exploring the market with a target to increase its customer base and to increase added value to our technologies.

During the year, breakthroughs were made in marketing activities. In 2003, the Group began to generate revenue from provision of marketing services. The Group had also invested over RMB 614,000 worth of equipments in anticipation of new products launch. Its own branded drug products are expected to begin selling in the first half of 2004. Two joint venture entities with independent third party were established in the manufacturing and trading of pharmaceutical products in December 2003 and January 2004, respectively.

本集團憑藉其研發新藥之經驗及良好之客戶基礎，致使其成為中國市場新藥品及藥物開發服務具領先地位之供應商。本集團已落實多項發展策略，例如拓展產品／技術、提供綜合開發服務、垂直整合其業務運作、進行策略性收購及合併活動、進軍海外市場及建立品牌知名度。

本集團相信，中國大部份製藥公司並無全面研發新產品之能力，亦無具競爭優勢之技術基礎以進行商業化活動。因此市場對藥物開發服務及臨床研究服務之需求將會為本集團提供大量商機。故此，本集團之專業市場推廣隊伍將繼續集中於開拓新市場，藉以壯大客戶基礎及為技術增值。

年內，市場推廣活動取得突破。於二零零三年，本集團開始從提供市場推廣服務方面取得收入。本集團亦已投資設備逾人民幣614,000元，以期推出新產品。本集團自行開發之新藥品預期將於二零零四年上半年開始銷售。兩間與獨立第三方合作之製造及買賣藥品合營實體已分別於二零零三年十二月及二零零四年一月予以成立。

# Chairman's Statement (continued)

## 主席報告(續)

To complement its core competency in R&D, the Group is constructing a brand new GMP facility for manufacture and process technology development. Such facility will extend the Group's capacity in commercializing its own products.

On brand recognition, senior company personnel have taken part in several major events aiming at reaching out to bigger clientele base as well as fortifying our corporate brand-building campaign. In September 2003, Beijing Venture-Biopharm Services Company Limited ("V Biopharm") was honored by China Association of Enterprises with Foreign Investment (CAEFI) with The 2002 Award of The Best National Foreign Investor Enterprise in Company Profit Contribution per Employee. In October 2003, Beijing Dezhong-Venture Pharmaceutical Technology Development Company Limited ("Dezhong VP") became a member of Beijing Zhongguancun Enterprises Credit Promotion Association (ECPA).

Going forward, the Group will continue to negotiate with potential strategic partners to complement its future development. One or two joint ventures are expected to conclude in the first half of 2004.

As the chairman of the Company, I am excited by the progress to date. The management will make its best efforts in achieving the Company's objective of growing as a fully integrated pharmaceutical company in order to enhance shareholder's value.

**William Xia GUO**

*Chairman*

Beijing, the PRC  
18 March 2004

為配合本集團於研發方面之核心發展，本集團正在興建符合GMP規定之廠房以製造及處理技術開發。此廠房將有助本集團增強其商品化本身品牌之能力。

在品牌知名度方面，本公司之高層人員已參與多個主要活動，藉以擴大本集團之客戶層面，以及加強推廣公司品牌形象。於二零零三年九月，北京萬全陽光醫藥科技有限公司(「萬全陽光」)獲中國外商投資企業協會頒發二零零二年度每位僱員對公司所作溢利貢獻的最佳外商投資企業。於二零零三年十月，北京德眾萬全藥物技術開發有限公司(「德眾萬全」)成為北京中關村企業信用促進會(ECPA)之會員單位。

展望未來，本集團將繼續與潛在策略夥伴磋商配合其發展。預期在二零零四年上半年將可成立一至兩間合營公司。

作為本公司之主席，本人為集團至今之進展感到高興。管理層將致力達成令公司成為完全整合製藥公司之目標，以期提高股東價值。

主席

郭夏

中國北京  
二零零四年三月十八日



		Year Ended 31 December 截至十二月三十一日止年度		
		2001 RMB'000 人民幣千元	2002 RMB'000 人民幣千元	2003 RMB'000 人民幣千元
<b>Results</b>	<b>業績</b>			
Turnover	營業額	15,871	32,453	<b>35,680</b>
Profit before taxation	除稅前溢利	8,847	19,550	<b>21,994</b>
Taxation	稅項	-	(237)	<b>(1,506)</b>
Profit after taxation before minority interest	除稅後但未計少數股東權益前溢利	8,847	19,313	<b>20,448</b>
Minority interest	少數股東權益	(376)	(186)	<b>(128)</b>
Profit for the year	本年度溢利	8,471	19,127	<b>20,360</b>
<b>Assets and Liabilities</b>	<b>資產及負債</b>			
Total assets less current liabilities	總資產減流動負債	14,538	38,056	<b>91,031</b>
Minority interest	少數股東權益	555	742	<b>870</b>
Shareholders' funds	股東資金	13,983	37,314	<b>90,161</b>

## Notes to financial summary:

- The results for each of the three years ended 31 December 2003 have been prepared on a combined basis to indicate the results of the Group as if the Group structure, at the time when the Company's shares were listed on the Stock Exchange, had been in existence throughout the years concerned. The figures for the year ended 31 December 2001 and 2002 have been extracted from the Company's prospectus dated 30 June 2003. The results for the year ended 31 December 2003 have been extracted from the audited consolidation income statement as set out on page 37 of the financial statements.
- The combined balance sheet as at 31 December 2001 and 2002 have been extracted from the Company's prospectus dated 30 June 2003. The consolidated balance sheet as at 31 December 2003 has been extracted from the audited consolidated balance sheet as set out on page 38 of the financial statements.

## 財務概要附註：

- 截至二零零三年十二月三十一日止三個年度各年之業績已按照合併基準編製，以顯示本集團之業績，猶如本集團之結構於本公司股份在聯交所上市時已一直存在。於截至二零零一年及二零零二年十二月三十一日止年度之數據乃摘錄自二零零三年六月三十日之本公司售股章程。截至二零零三年十二月三十一日止年度之業績乃摘錄自財務報表第37頁所載之經審核綜合收益表。
- 於二零零一年及二零零二年十二月三十一日之合併資產負債表乃摘錄自二零零三年六月三十日之本公司售股章程。於二零零三年十二月三十一日之綜合資產負債表乃摘錄自財務報表第38頁所載之經審核綜合資產負債表。

### A. OPERATING RESULTS

#### *Financial Review*

For the year ended 31 December 2003, the Group achieved a turnover of approximately RMB35,680,000, which includes income of approximately RMB21,700,000 deriving from technology transfer and income of approximately RMB13,980,000 generating from contracted pharmaceutical development services and clinical research services. Compared with last year's turnover, it represented an increase of approximately 10%.

The Group's overall gross profit margin was 79.8% for the year under review compared with that of 71% for the last year. The increase in gross profit margin was mainly attributable to reduction of provision against inventory.

General and administrative expenses increased by 164% to approximately RMB9,569,000. The increase was attributable mainly to increase in staff cost of approximately RMB1,057,000, post-listing expenses including sponsor's fee, auditor's remuneration, etc. of approximately RMB1,043,000 and provision for trade receivables of approximately RMB3,190,000.

For the period ended 31 December 2003, the Group recorded a profit attributable to shareholders of approximately RMB20,360,000, representing an increase of 6.4% as compared to that of approximately RMB19,127,000 for last year.

#### *Liquidity, Financial Resources and Gearing*

The Group has maintained sound financial position in this year. The Company was listed on 10 July 2003 in the GEM market with net proceeds of about HK\$28 million.

During the year, the Group financed its operations mainly with its operating revenue, internal resources and net proceeds from placement. As at 31 December 2003, the Group's current assets amounted to about RMB64,852,000 of which approximately RMB33,153,000 was cash and bank deposits. The Group did not have any bank and other borrowings during the period under review, the gearing ratio as measured by bank and other borrowings over total assets was zero (2002: zero).

### A. 經營業績

#### *財務回顧*

截至二零零三年十二月三十一日止年度，本集團錄得營業額約人民幣35,680,000元，當中包括來自技術轉讓之收入約人民幣21,700,000元及來自已訂約藥物開發服務及臨床研究服務之收入約人民幣13,980,000元，較上年度之營業額增加約10%。

於回顧年度內，本集團之整體毛利率為79.8%，上年度則為71%。毛利率增加主要由於存貨撥備減少。

一般及行政開支增加164%至約人民幣9,569,000元，此乃主要由於員工成本增加約人民幣1,057,000元、上市後開支包括保薦人費用、核數師酬金等約人民幣1,043,000元及應收貿易賬款撥備約人民幣3,190,000元。

截至二零零三年十二月三十一日止期間，本集團錄得股東應佔溢利約人民幣20,360,000元，較上年度約人民幣19,127,000元增加6.4%。

#### *流動資金、財務資源及負債比率*

本集團於本年度維持穩健之財政狀況。本公司已於二零零三年七月十日在創業板上市，集資所得淨額約為28,000,000港元。

年內，本集團主要以其經營收益、內部資源及配售所得淨額撥付營運資金。於二零零三年十二月三十一日，本集團之流動資產約為人民幣64,852,000元，當中約人民幣33,153,000元為現金及銀行存款。於回顧期內，本集團並無任何銀行及其他借貸，以銀行及其他借貸除總資產計算之負債比率為零（二零零二年：零）。

### *Capital Structure*

The shares of the Company were first listed on GEM on 10 July 2003. There has not been any change to the capital structure of the Company since that date.

### *Prospects of New Products and Markets*

The Group has progressed to expand its capacities in manufacturing, marketing and sales. In the reporting period, it has entered into several discussions with potential strategic partners to complement its future development. Formal agreements on two joint ventures in Shaanxi and Zhejiang Provinces as manufacturing and trading platforms for the Group's Active Pharmaceutical Ingredients ("API") products have been concluded in December 2003 and January 2004, respectively. The Group is planning its API products for overseas market in two years.

To extent the GMP-compliant manufacturing capacity of the Group, it has allocated resources in assessing a few potential areas, and negotiating with local governments for the most favorable policies provided. The Directors expect that the Group will establish its own manufacturing facilities in both the North and South China in the following year.

The Group has also entered into discussions with several potential targets for strategic acquisition of interests in manufacturers, research institutions and marketing services companies in the PRC.

### *Significant Investment*

The Company invested its surplus fund through its principal bank in two investment-grade fixed income bonds with an annual interest rate of 10% and 8%, respectively, during the year. Both instruments carry callable features by the issuer from second year onwards.

### *Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies*

There were no material acquisitions and disposals of subsidiaries and affiliated companies during the year except that the management had reached an agreement with the minority shareholder of Dezhong VP on the change of profit sharing ratio and as a result the profit sharing in Dezhong VP was increased from 94.51% to 99%.

### *資本結構*

本公司之股份於二零零三年七月十日首次在創業板上市。自該日以來，本公司之資本結構並無任何變動。

### *新產品及市場展望*

本集團已逐步拓展其製造、市場推廣及銷售能力。於報告期內，本集團已與準策略夥伴就合作投資進行討論，以配合本集團日後之發展。本集團已分別於二零零三年十二月及二零零四年一月就陝西省及浙江省兩間合營企業訂立正式協議，該兩間合營企業將作為本集團有效藥劑成份之製造及買賣平台。本集團正計劃於兩年內將其有效藥劑成份產品推出海外市場。

為擴大在符合GMP規定方面之產量，本集團已分配資源評估幾個有潛力之領域，並與當地政府磋商最有利之政策。董事預期，本集團將於來年在中國北部及南部自行設立製造廠房。

本集團亦已與多方就策略性收購中國製藥商、研究機構及市場推廣服務公司之權益進行討論。

### *重大投資*

年內，本公司已透過其主要往來銀行將盈餘資金投資於兩種年息率分別為10%及8%之投資級定額收入債券。於第二年起，該兩種債券均可被發行人提前贖回。

### *重大收購及出售附屬公司及聯屬公司*

管理層與德眾萬全之少數股東就更改分紅比率達成協議，據此，於德眾萬全之分紅已由94.51%增加至99%。除此以外，年內並無對附屬公司及聯屬公司進行重大收購及出售。

### *Comments on Segmental Information*

No geographical segment analysis is presented as all assets and operations of the Group for the periods are located in the PRC. No business segment analysis is presented as all operations of the Group for the periods are related to pharmaceutical research and development, registration, application and testing.

### *Employees*

The total number of employees in the Group was 184 as at 31 December 2003 (2000: 134). The Group's remuneration policy is basically determined by the performance of individual employees. In addition to salaries and bonuses, employee benefits included medical and pension contributions and share option schemes.

### *Charge on Assets*

As at 31 December 2003, the Group did not have any charge on its assets (2002: Nil).

### *Future Plans for Material Investments or Capital Assets*

Other than those disclosed in the Company's prospectus dated 30 June 2003 (the "Prospectus"), the Group does not have any other plan for material investments or capital assets for the coming year.

### *Foreign Exchange Exposure*

During the period under review, the Group's transactions were substantially denominated in Renminbi ("RMB") and about 55% of the cash and bank deposits were in either Hong Kong or United States dollars. Since RMB is pegged to both the Hong Kong and United State dollars, the Board considers that the potential foreign exchange exposure of the Group is limited. The Group closely monitors its foreign currency exposure from time to time and will engage appropriate hedging activities should needs arise.

### *Contingent Liabilities*

As at 31 December 2003, the Group did not have any contingent liabilities (2002: Nil).

### *分類資料註釋*

由於本集團於期內之所有資產及經營均位於中國，故並未呈列地區分類分析。由於本集團於期內之所有經營均與製藥研究及開發、註冊、申請以及測試有關，故並未呈列業務分類分析。

### *僱員資料*

於二零零三年十二月三十一日，本集團合共有184名僱員(二零零零年：134名)。本集團之薪酬政策基本上按僱員之個人表現釐定。除薪金及花紅外，僱員福利亦包括醫療及退休供款，以及購股權計劃。

### *資產抵押*

於二零零三年十二月三十一日，本集團並無抵押其任何資產(二零零二年：無)。

### *重大投資或資本資產之未來計劃*

除於本公司日期為二零零三年六月三十日之售股章程(「售股章程」)所披露者外，本集團於來年並無任何重大投資或資本資產計劃。

### *外匯風險*

於回顧期內，本集團之交易絕大部份以人民幣計值，而約55%之現金及銀行存款為港元或美元。由於人民幣同時與港元及美元掛鈎，董事會認為本集團承受之潛在外匯風險有限。本集團不時密切監察其外幣風險，並將於有需要時進行適當之對沖。

### *或然負債*

於二零零三年十二月三十一日，本集團並無任何或然負債(二零零二年：無)。

### B. BUSINESS REVIEW

#### *Marketing and Sales*

For commercial launch of products under its own brand, the Group has set up a product marketing team. In the second half year of 2003, the Group obtained two manufacturing permits for drug products which will be launched to market in first half year of 2004. Prior to the projected products launch, some members of the team are currently assigned to support the marketing and promotion activities of the products of Sanmenxia Sinoway Pharmaceutical Co. Ltd. ("Sinoway Pharmaceutical") under the agreement entered into between Sinoway Pharmaceutical dated 23 September 2002. The details of the arrangement were set out in the Company's prospectus dated 30 June 2003.

#### *Technology Transfer and Pharmaceutical Development Services*

During the reporting period, the Group has signed 29 Technology Transfer contracts for 34 products with a total value of approximately RMB43,100,000 and 9 clinical development contracts of total value approximately RMB12,000,000. A number of contracts involving both domestic and multinational companies were also signed in the reporting period, pertaining to product registration, product and technology development services.

The Group's Clinical Research Division has established cutting edge technology in conducting clinical trial on new drug entities including Biotech Entities and Traditional Chinese Medicine. The anticipated results may lead to brand new treatment for important unmet markets.

#### *Research and Development ("R&D")*

The Group's portfolio covers all major and high growth therapeutic areas such as diabetes, heart diseases, cancer, AIDS and allergy.

### B. 業務回顧

#### *市場推廣及銷售*

為推出以其本身品牌作商品化之產品，本集團已成立產品市場推廣專責小組。於二零零三年下半年，本集團已就藥品取得兩份生產許可證，並將於二零零四年上半年推出市場。於產品之預定推出日期前，根據三門峽賽諾維製藥有限公司(「賽諾維製藥」)於二零零二年九月二十三日訂立之協議，專責小組部份成員現時被指派支援賽諾維製藥之產品市場推廣及宣傳活動，有關安排之詳情載於本公司二零零三年六月三十日刊發之售股章程內。

#### *技術轉讓及藥物開發服務*

於報告期內，本集團為34項產品簽訂29份技術轉讓合約，總值約人民幣43,100,000元，另簽訂9份總值約人民幣12,000,000元之臨床開發合約。此外，於報告期內，本集團亦與本地及跨國公司簽訂多份有關產品註冊、產品及技術開發服務有關之合約。

本集團之臨床研究部門運用嶄新技術，對全新之藥物實驗(包括生物科技藥物及傳統中醫藥)進行臨床測試，而預期有關之結果將可為重要但尚未開發之市場製成新療法。

#### *研究及開發(「研發」)*

本集團之研發工作覆蓋所有主要及高增長之治療範圍，例如糖尿病、心臟病、癌症、愛滋病及過敏症。

The Group's product pipeline has now expanded into a total of 293 products with 68 new projects initiated since the start of year 2003. In the same said period, 51 new products were submitted to The State Food and Drug Administration ("SFDA") for Clinical Study Permits ("CSP's") while 60 new CSP's were granted to the Group. The total number of CSP's accumulated by the Group climbed to 109. In the same said period, 9 Manufacturing Permit applications were submitted to the SFDA and 13 new Manufacturing Permits were granted.

For the past twelve months, 10 new patent applications were submitted to the State Intellectual Property Office ("SIPO"), making a total of 28 patents applications as at 31 December 2003 by the Group since the start of its operation.

### *International collaboration*

The Group maintains close ties with established overseas practitioners aiming at cooperative relationship with them. During the period under review, the Group had signed an agreement with Wockhardt, a multinational biotech company with headquarters based in India, to help explore the China market for various biotech entities including insulin.

### *Brand recognition*

To achieve its mission of building up a global brand name that can compete in the worldwide pharmaceutical market, the Group continued to promote its image by way of attending various nationwide and international professional forums and industrial exhibitions.

Mr. Guo, Chairman and CEO of the Group was awarded with two distinguish titles during the year. In October 2003, Mr. Guo was selected as the Young Entrepreneur of the Year by Zhongguancun High Tech Science Park, the best known technology development organization in China. In January 2004, Mr. Guo was awarded the winner of China Region's "Young Entrepreneur Award 2003" by Asia Magazine.

In January 2003, the Group, under the leadership of Mr. Guo, has been elected by the renowned business magazine Fortune (China) as one of the Top 5 companies with the greatest potential and capacity to grow in China.

本集團之產品供應線已擴展至合共293種產品，而68個新項目已自二零零三年初展開。同期，51種新產品已向國家食品藥品監督管理局(「國家食品藥品監督管理局」)申請臨床研究許可證(「臨床研究許可證」)，而本集團已獲批60張新發出之臨床研究許可證。本集團獲發之臨床研究許可證總數已累積至109張。此外，同期亦已向國家食品藥品監督管理局提出9份生產許可證申請，並已獲批13張新發出之生產許可證。

於過去十二個月內，本集團向國家知識產權局(「國家知識產權局」)提交10項新專利申請，而於二零零三年十二月三十一日，本集團自其投入營運以來所提交之專利申請合共有28項。

### *國際合作*

本集團與穩固之海外從業者保持緊密聯繫，以期與彼等建立合作關係。於回顧期內，本集團已與總部設於印度之跨國生物科技公司Wockhardt簽訂協議，以協助拓展中國多種生物科技藥物(包括胰島素)之市場。

### *品牌知名度*

為建立可在國際藥品市場上競爭之全球知名品牌地位，本集團繼續參與多個全國及國際專業論壇及行業展覽，藉以推廣公司品牌形象。

年內，主席兼首席執行管郭先生獲頒兩個著名獎項。於二零零三年十月，郭先生獲中國著名科技開發機構中關村高科技科學園選為該年之年青企業家。於二零零四年一月，郭先生獲亞洲週刊頒發中國區「二零零三年年青企業家大獎」。

於二零零三年一月，本集團在郭先生之領導下已被著名商業雜誌福布斯(中國)選為中國五大最具潛力及增長能力之公司之一。

The comparison of the Group's business objectives as set out in the Company's prospectus dated 30 June 2003 to actual business progress for the year ended 31 December 2003 is as follows:

### Business Objectives

#### 業務目標

#### Drug product pipeline expansion

##### 拓展藥品渠道

1. Applies drug delivery technologies to existing drug entities to enhance drug efficacy and product performance.  
將藥品傳遞技術應用於現有藥品實體，以提高藥效及產品性能。
2. Based on the Group's drug entity development platform to improve efficacy and cost effectiveness of existing drug products.  
根據本集團之藥品實體開發平台提高現有藥品之藥效及成本效益。
3. Continue to develop the six Category A drugs.  
持續開發6項A類藥品。

#### Offering comprehensive development services

##### 提供綜合開發服務

1. Provision of Pharmaceutical Development Services and Clinical Research Services based on customers' formulations.  
根據客戶製劑提供藥物開發服務及臨床研究服務。

#### Vertical integration

##### 垂直整合

1. Completion of own manufacturing facilities in 2004.  
本身之生產設施於二零零四年落成。
2. Establish branch offices in Shanghai, Guangzhou and Chengdu to conduct marketing activities by the end of 2003.  
在上海、廣州及成都分別建立分辦事處，以於二零零三年年底前進行市場推廣活動。

本集團載於本公司於二零零三年六月三十日刊發之售股章程之業務目標與截至二零零三年十二月三十一日止年度之實際業務進展之比較如下：

### Actual Business Progress

#### 實際業務進展

Over 20 products were completed in 2003 by applying our drug delivery platform technologies and are now being reviewed by SFDA for clinical permit approval.  
於二零零三年，逾20種產品已應用藥品傳遞平台技術完成，並且現正由國家食品藥品監督管理局審批臨床許可證。

17 drug entity development projects were completed and are currently under SFDA assessment for manufacturing permit approval.  
17項藥品實體開發項目已完成，並且現正受國家食品藥品監督管理局評核生產許可證。

In-house development to continue while screening for potential partner companies for commercialization.  
繼續內部開發，同時篩選夥伴公司進行商品化活動。

Entered into 9 contracts with value of RMB12 million covering Traditional Chinese Medicine.  
已訂立覆蓋傳統中醫藥總值人民幣12,000,000元之9項合約。

Evaluation of a GMP-compliant scale-up facility site nearby Beijing is being studied.  
正評估鄰近北京符合GMP規定之廠房。

The establishment of branch offices in other cities is delayed to 2004 subject to review of market demand.  
推遲至二零零四年在其他城市建立分辦事處，惟可根據市場需求作出檢討

# Comparison of Business Objectives to Actual Business Progress (continued)

## 業務目標與實際業務進展比較 (續)

### Business Objectives (continued)

#### 業務目標 (續)

#### Strategic acquisition

##### 策略收購

1. Acquisition of interests in pharmaceutical manufacturers, research institutions and marketing services companies in the PRC.  
收購中國之製藥商、研究機構及市場推廣服務公司之權益。
2. Investment in business in North America and South East Asia, including new drug development and/or provision of services complementary to that of the Group.  
投資於北美及東南亞之業務，包括新藥開發及／或提供可補足本集團業務之服務。

#### Expansion into overseas markets

##### 進軍海外市場

1. Tap into the Hong Kong, India and North America markets by the end of 2003 to engage in drug development or provision of services.  
於二零零三年年底前打入香港、印度及北美市場，從事藥品開發或提供服務。
2. Maintain close working relationship with established overseas practitioners and to form cooperation relationship with them in future in the form of collaboration in R&D and/or marketing.  
與海外知名製藥機構保持密切工作聯繫，並於日後與彼等建立合作關係，合作形式為聯合進行研發及／或市場推廣。
  - Heber Biotech S.A. (Cuba) – Biopharmaceutical Research & Development
  - Heber Biotech S.A. (古巴) – 生物製藥研究及開發
  - Wockhardt's Limited (India) – Pharmaceutical R&D, Manufacture and Marketing
  - Wockhardt's Limited (印度) – 藥品研發、製造及市場推廣
  - Phlox Pharmaceuticals Limited (India) – R&D on API
  - Phlox Pharmaceuticals Limited (印度) – 有效藥劑成份之研發
  - Degussa Pacific Ltd. (Germany) – Specialty Polymers R&D, Manufacture and Marketing
  - Degussa Pacific Ltd. (德國) – 特殊聚合物研發、製造及市場推廣

### Actual Business Progress (continued)

#### 實際業務進展 (續)

Two joint venture entities with independent third party were established in the manufacturing and trading of pharmaceutical products in December 2003 and January 2004, respectively. Several other joint venture projects are in discussion process.  
分別於二零零三年十二月及二零零四年一月與獨立第三方成立兩間製造及買賣藥品之合營企業實體。現正就另外幾個合營項目進行討論。

Discussion with potential strategic partners in the USA and Malaysia are in progress.  
現正與美國及馬來西亞之準策略夥伴進行討論。

Several companies from the USA, Hong Kong and South East Asia Region were in discussion for contract provision of services, including clinical development and product registration.  
多間來自美國、香港及東南亞地區之公司已就提供服務(包括臨床開發及產品註冊)之合約進行商討。

Negotiation was halted due to lack of projects at appropriate stage of development for collaboration.  
由於缺乏在適當開發階段之合作項目，磋商已終止。

A tentative agreement was signed with the aim of increasing the number of collaborative project as well as the scale of undertaking.  
已簽訂暫定協議，以期增加合作項目之數目及承辦規模。

Pending for further instruction from client.  
有待客戶之進一步指示。

Collaborative technical services to third party companies took place.  
正給予第三方公司合作技術服務。



### Business Objectives (continued)

業務目標(續)

#### Building brand recognition

建立品牌知名度

1. Taking part in industry forum and direct marketing efforts in brand development activities.  
參與行業論壇及推行品牌開發之直銷活動。
2. Creating media exposure and promoting the Group's corporate image and technologies.  
製造媒體曝光及宣傳本集團之企業形象及技術。

### Actual Business Progress (continued)

實際業務進展(續)

The company's senior executives made presentation in a number of events held in Beijing and elsewhere. 公司高級行政人員在北京及其他地方舉行之多個活動上主持講座。

The Group received media coverage in Hong Kong and mainland China. 本集團在香港及中國內地媒體曝光。

**October 2003**, Mr. Guo was selected as the Young Entrepreneur of the Year by Zhongguancun High Tech Science Park, the best known technology development organization in China.

於二零零三年十月，郭先生獲中國知名科技開發機構中關村高科技科學園選為該年之年青企業家。

**January 2004**, Mr. Guo was awarded the winner of China Region's "Young Entrepreneur Award 2003" by Asia Magazine.

於二零零四年一月，郭先生獲亞洲週刊頒發中國區「二零零三年年青企業家大獎」。

**January 2003**, the Company, under the leadership of Mr. Guo, has been elected by the renowned business magazine Fortune (China) as one of the Top 5 companies with the greatest potential and capacity to grow in China.

於二零零三年一月，本公司在郭先生之領導下獲著名商業雜誌福布斯(中國)選為中國五大最具潛力及增長能力之公司之一。

**September 2003**, V Biopharm was honored by China Association of Enterprises with Foreign Investment (CAEFI) with The 2002 Award of The Best National Foreign Investor Enterprise in Company Profit Contribution per Employee.

於二零零三年九月，萬全陽光獲中國外商投資企業協會頒發二零零二年度每位僱員對公司所作溢利貢獻的最佳外商投資企業。

**October 2003**, Dezhong VP became a member of Beijing Zhongguancun Enterprises Credit Promotion Association (ECPA).

於二零零三年十月，德眾萬全成為北京中關村企業信用促進會(ECPA)之會員單位。

# Comparison of Business Objectives to Actual Business Progress (continued)

## 業務目標與實際業務進展比較 (續)

### USE OF PROCEEDS FROM THE ISSUING OF THE NEW SHARES

The Company was listed on the GEM on 10 July 2003 by placing 90,000,000 shares. The net proceeds after deduction of related expenses, amounted to approximately HK\$28 million.

### 發行新股所得款項用途

本公司透過配售90,000,000股股份於二零零三年七月十日在創業板上市。於扣除有關開支後，所得款項淨額約為28,000,000港元。

		For the period up to 31 December 2003 截至二零零三年 十二月三十一日止期間	
		Actual amount used 實際 已用金額 HK\$'000 千港元	Per Prospectus 按售股 章程所述 HK\$'000 千港元
For R&D activities (note 1)	用於研發 (附註1)	9	355
For marketing activities and brand building (note 2)	用於市場推廣及 建立品牌 (附註2)	113	1,000
For GMP plant establishment (note 3)	用於成立符合GMP規定之廠房 (附註3)	108	2,000
For overseas market expansion (note 4)	用於進軍海外市場 (附註4)	-	100
General working capital	一般營運資金	1,000	1,000
<b>Total</b>	<b>合計</b>	<b>1,230</b>	<b>4,455</b>

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#### Notes:

- Lower expenditure incurred as at end of 31 December 2003 was a result of management being more cautious in screening suitable partners for the projects and in assessing the market development of respective therapeutic areas. Project spending will increase as planned once suitable partners are identified and appropriate market condition established.
- During the period, the marketing activities and brand building activities were focused in PRC and thus less cost was incurred. Such expenses in this area will increase when more overseas activities are incurred in coming periods.
- The GMP plant establishment project is still under planning. The progress was delayed by the design of the plant, and is expected to speed up in 2004.
- Overseas expansion activities will be activated in coming periods.

The balance of the proceeds raised will continue to be used in the projects disclosed in the Company's prospectus dated 30 June 2003 and is currently deposited in banks. The Directors consider that the net proceeds will be sufficient for the requirement of future business objectives as stated in the Company's prospectus dated 30 June 2003.

#### 附註：

- 由於管理層更審慎篩選項目之適當夥伴及評估有關治療領域之市場開發，故於二零零三年十二月三十一日完結時產生之支出較低。於物色適當夥伴並確立適宜之市場條件後，項目開支將按計劃增加。
- 期內，市場推廣活動及建立品牌活動集中在中國，故所產生之成本較低。當往後期間進行更多海外活動時，此方面之開支將有所增加。
- 符合GMP規定之廠房興建項目仍在計劃中，進度受到廠房設計影響而延遲，預期有關項目在二零零四年將加快發展。
- 進軍海外市場之行動將於往後期間展開。

籌得之所得款項餘額將繼續用於本公司於二零零三年六月三十日刊發之售股章程內所披露之項目上，而現正存放在銀行。董事認為所得款項淨額將足以應付本公司於二零零三年六月三十日刊發之售股章程所述未來業務目標所需。

### DIRECTORS

#### *Executive Directors*

Mr. William Xia GUO, aged 39, is the Chairman, Chief Executive Officer, Managing Director and Joint Chief Technology Officer of the Group. Mr. Guo is responsible for strategic planning and development, overall management and R&D activities of the Group. Mr. Guo obtained with a Master degree in science from University of Toronto in March 1997. Mr. Guo has also completed various approved courses for the degree of Master of Business Administration in the Heriot-Watt University. Before establishing the Group in December 1998, Mr. Guo had worked for two pharmaceutical companies in Canada, namely Ortho-McNeil Inc. and Novopharm Limited, both are pharmaceutical companies in Canada as research scientist and process development manager, respectively. Mr. Guo has approximately 10 years experience in research, pharmaceutical development and management in the pharmaceutical industry. Mr. Guo is a member of the American Association of Pharmaceutical Scientists and the National Pharmaceutical Sciences Group Inc.

Dr. Uri Tak Kau LAW, aged 49, is the Joint Chief Technology Officer of the Group with overall joint responsibility for the Group's R&D department. Dr. Law obtained a Ph.D. with the research subject on Biomedical Polymers from The Queen's University of Belfast in December 1981. Dr. Law has dedicated over 20 years to the field of pharmaceutical and drug material research and development. Prior to joining the Group in December 1998, Dr. Law had worked as senior researcher in several universities and pharmaceutical company in Europe and North America, including University of Strathclyde in Glasgow, Scotland, Schering AG, and Ontario Research Foundation. He had participated in research program of a number of reputable organisations including Imperial Cancer Research Fund of England, and Science and Engineering Research Council (UK) in areas of drug delivery, space biomedical research and nuclear material research. He had also undertaken consultant projects to numerous companies including ICI Pharmaceuticals, Boots Pharmaceuticals, Procter & Gamble, Novopharm, Apotex, Ortho-McNeill Pharmaceuticals. He is a member of the American Association of Pharmaceutical Scientists and Controlled Release Society.

### 董事

#### *執行董事*

郭夏先生，39歲，本集團主席、首席執行官、董事總經理兼聯席首席技術官。郭先生負責本集團之策略規劃及發展、整體管理及研發業務。郭先生於一九九七年三月取得多倫多大學理學碩士學位，亦在Heriot-Watt University完成工商管理碩士學位之多個認可課程。於一九九八年十二月成立本集團之前，郭先生曾於兩間加拿大製藥公司(Ortho-McNeil Inc.及Novopharm Limited)分別擔任研究科學家及工序開發經理。郭先生於製藥行業之研究、製藥開發及管理方面擁有約十年經驗。郭先生乃美國藥學科學家協會及National Pharmaceutical Sciences Group Inc.之會員。

羅德球博士，49歲，本集團聯席首席技術官，共同全面負責本集團之研發部門。羅博士於一九八一年十二月取得Queen's University of Belfast博士學位，專門研究生物醫學高分子。羅博士致力於醫藥及藥品原料研究及開發領域逾二十年。於一九九八年十二月加盟本集團之前，羅博士在歐洲及北美多間大學及製藥公司擔任高級研究員，包括蘇格蘭格拉斯哥University of Strathclyde、Schering AG及Ontario Research Foundation。彼曾參與多間知名組織之研究計劃，包括英國Imperial Cancer Research Fund及英國之Science and Engineering Research Council等有關藥品傳輸、太空生物醫學研究及核子物料研究等計劃。彼亦要負責多間公司之諮詢項目，包括ICI Pharmaceuticals、Boots Pharmaceuticals、Procter & Gamble、Novopharm、Apotex、Ortho-McNeill Pharmaceuticals。彼為美國藥學科學家協會及控釋協會之會員。

## Profile of Directors and Senior Management (continued)

### 董事及高級管理層簡歷(續)

Dr. Maria Xue Mei SONG, aged 36, is an executive Director. Dr. Song is responsible for Clinical Research (R&D) and also the head of the Human Resources Management Department of the Group. Dr. Song graduated from China Concord Medical University with a Doctorate degree in clinical medicine in July 1995. She is also a Registered Pharmacist in the PRC. Prior to joining the Group in February 2000, Ms. Song had served as general manager of Beijing Tiancifu Biopharmaceutical Co. Ltd.

Dr. David Xuesong GAO, aged 37, is the Deputy General Manager of the Group. Dr. Gao is responsible for Pharmaceutical Development (R&D) of the Group since December 1998. Mr. Gao graduated from Chemical Research Institute, Chinese Academy of Science with a Ph.D. degree in science in July 1994. The research areas of Dr. Gao were synthesis chemistry and polymer chemistry. Dr. Gao has completed over 10 complex medical chemical drug entity synthesis projects. He has published various articles domestically and internationally. He won the Best Young Scientist Awards in Chemistry from the Chinese Academy of Science in 1990 and 1992.

#### *Non-executive Directors*

Dr. Derek LEE, aged 32, is a non-executive Director. Dr. Lee obtained his Doctor of Dental Surgery degree from the Faculty of Pharmacy in the University of Toronto in June 1996. Dr. Lee has been giving advice to the Group in relation to strategic planning since the Group's inception and has 6 years experience in the field of pharmaceutical industry. Dr. Lee has not participated and has no intention to participate in the management of the Group. He was appointed as non-executive Director in August 2002 and resigned on 18 March 2004.

Mr. Tao FENG, aged 36, is a director of NewMargin and is also nominated as a non-executive Director by C Tech Fund. Mr. Feng obtained a Master degree in Science from the Department of Statistics and Applied Probability from the University of Alberta in June 1992. Mr. Feng has been serving as the Vice President Officer of the The Foundation of Science and Technology for Development of the State Planning Committee, State Economic and Trade Commission of the PRC and China Science Academy since September 1999. He was appointed as non-executive Director in August 2002.

宋雪梅博士，36歲，執行董事。宋博士負責本集團之臨床研究(研發)服務，並為人力資源管理部主管。宋博士畢業於中國協和醫科大學，於一九九五年七月獲頒臨床醫藥博士學位。彼亦為中國註冊藥劑師。於二零零零年二月加盟本集團之前，宋女士曾於北京天賜福生物醫藥有限公司擔任總經理。

高雪松博士，37歲，本集團副總經理。高博士自一九九八年十二月起負責本集團之藥物開發服務(研發)。高先生於一九九四年七月畢業於中國科學院化學研究所，持有理學博士學位。高博士之研究範圍為合成化學及高分子化學，彼已完成超過十項綜合醫學化學藥品實體合成項目，在國內及國外發表多篇文章。彼於一九九零年及一九九二年分獲中國科學院化學研究所頒授化學所青年科學獎。

#### *非執行董事*

李信德博士，32歲，非執行董事。李博士於一九九六年六月在多倫多大學藥學院取得牙科博士學位。李博士自本集團成立以來一直就策略規劃向本集團提供意見，彼於製藥業擁有六年經驗。李博士從未且無意參與本集團之管理工作。彼於二零零二年八月獲委任為非執行董事，並於二零零四年三月十八日辭任。

馮濤先生，36歲，為NewMargin之董事，並獲C Tech Fund提名出任非執行董事。馮先生於一九九二年六月在University of Alberta統計及應用概率學系取得理學碩士學位。馮先生自一九九九年九月起一直出任國家計委國家經貿委中國科學院科技促進經濟部基金委員會副主任。彼於二零零二年八月獲委任為非執行董事。

Mr. Xin WU, aged 32, is a non-executive Director nominated by C Tech Fund. Mr. Wu is a vice-president of NewMargin. Mr. Wu obtained his Master of Science degree from Stanford University in Engineering-Economic Systems in 1994 and a Bachelor of Science degree in Electrical Engineering from University of Illinois in May 1993. Prior to joining NewMargin, Mr. Wu worked in Chase Capital Partners, an investment firm, and at Robertson Stephens & Company, an investment firm based in San Francisco. He was appointed as non-executive Director in August 2002.

Mr. Philip Pak Yiu YUEN, aged 68, is a non-executive Director. Mr. Yuen has been practising law in Hong Kong since February 1962. In 1965, he established the law firm Yung, Yu, Yuen and Co. with other partners. Mr. Yuen has over 40 years experience in the legal field and has been a director of several large listed companies in various sectors. He is an arbitrator of the China International Economic and Trade Arbitration Commission. He was appointed as the non-executive Director in August 2002.

#### **Independent Non-executive Directors**

Mr. Ming Yu WU, aged 72, is an independent non-executive Director and is the chairman of the audit committee. Mr. Wu is a member of the education committee of the China (Hainan) Reform Development Research Institute, a member of Standing Committee of China Association of Science and Technology; President of Chinese Society of Technology Economics; Honorary President of China Society of Science and Science Technology Policy Research and Vice-President of China Society of Land Economics Research. Mr. Wu has held the post of Vice Minister of the Development Research Center of the State Council, Vice Minister of the State Science and Technology Commission; President of China Technology Economic Research Institute; Vice President of China Society of Science and Science Technology Policy; Economist of Economy Research Institute of the State Council and President of Asia-Pacific Research Institute. He was appointed as non-executive Director in August 2002.

吳欣先生，32歲，獲C Tech Fund提名為非執行董事。吳先生為NewMargin之副總裁，彼於一九九四年在史丹福大學獲得工程經濟系統理學碩士學位，及於一九九三年五月在伊利諾伊大學取得電力工程理學士學位。於加盟NewMargin前，吳先生曾任職一間投資公司Chase Capital Partners及三藩市之投資公司Robertson Stephens & Company。彼於二零零二年八月獲委任為非執行董事。

阮北耀先生，68歲，非執行董事，自一九六二年二月起為香港之執業律師。阮先生於一九六五年與其他合夥人成立翁余阮律師行。阮先生於法律方面積逾四十年經驗，並曾擔任多間不同行業大型上市公司之董事。彼為中國國際經濟貿易仲裁委員會仲裁員，於二零零二年八月獲委任為非執行董事。

#### **獨立非執行董事**

吳明瑜先生，72歲，獨立非執行董事兼審核委員會主席。吳先生為中國(海南)改革發展研究院教育委員會委員、中國科學技術協會常務委員會委員、中國技術經濟協會主席、中國科學與科技政策研究會名譽理事長及國土經濟學研究會副理事長。吳先生曾任國務院發展研究中心副部長、國家科學技術委員會副部長、中國技術經濟研究會主席、中國科學與科技政策研究會副理事長、國務院經濟研究中心經濟師及亞太研究院主席。彼於二零零二年八月獲委任為非執行董事。

# Profile of Directors and Senior Management (continued)

## 董事及高級管理層簡歷(續)

Mr. Paul CONTOMICHALOS, aged 43, is an independent non-executive Director. He holds an MBA from the Columbia University in May 1985. Mr. Contomichalos had worked for Bristol-Myers Squibb (BMS). His first position in China was to start up the consumer over-the-counter business of Bristol-Myers Squibb in 1994. He became Chairman and President of Bristol-Myers Squibb China from 1997 to 2000. Prior to working in China, Mr. Contomichalos held various key consumer marketing and business development positions with Bristol-Myers Squibb in the USA and Canada and has about 17 years of experience in this field. He was appointed as non-executive Director in August 2002.

### SENIOR MANAGEMENT

The Group's senior management comprises the following employees:-

Mr. Yiu Wai TONG, Wesley, aged 45, is the Chief Financial Officer and the company secretary and the head of the Accounting & Finance department of the Group. Mr. Tong holds a MBA degree from the Open University of Hong Kong. Mr. Tong is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. He has about 20 years working experience in accounting and financial management. Prior to joining the Group, Mr. Tong worked for a number of leading global financial institutions. He was the Executive Director of the Controllers Department of Goldman Sachs for about 6 years. He had also worked in Nomura for about 2 years and Merrill Lynch for about 9 years. Mr. Tong joined the Group in August 2003.

Dr. Tarun GUPTA, aged 43, is the co-head of the Group's Business Development Department (International Division). He is also the Chief Executive Officer of P.K. Pharmatech in India. Dr. Gupta has obtained his degree of bachelor of medicine and bachelor of surgery in December 1982. He worked with Lupin Laboratories Limited of India before he joined the Group in December 2000 and was seconded to the exclusive marketing and distribution agent in Hong Kong in 1996. He was responsible for marketing and distributing of product of Lupin Group in the Asia region. He has 13 years of experience in the field of pharmaceutical industry.

Paul CONTOMICHALOS先生，43歲，獨立非執行董事，於一九八五年五月獲哥倫比亞大學頒授工商管理碩士學位。Contomichalos先生曾任職於Bristol-Myers Squibb (BMS)，在中國首項工作為於一九九四年開辦Bristol-Myers Squibb之消費者場外業務。彼於一九九七年至二零零零年間出任Bristol-Myers Squibb China之主席兼總裁。於中國工作之前，Contomichalos先生曾在美國及加拿大Bristol-Myers Squibb擔任多個主要消費者市場推廣及業務開發職位，在該範疇積逾約十七年經驗。彼於二零零二年八月獲委任為非執行董事。

### 高級管理層

本集團之高級管理層由以下僱員組成：—

唐耀維先生，45歲。本集團財務總監、公司秘書兼會計及財務部主管。唐先生持有香港公開大學工商管理碩士學位。彼為英國特許會計師公會資深會員及香港會計師公會會員。彼於會計及金融管理擁有約二十年經驗。於加盟本公司前，唐先生曾在一些頂級金融機構工作。彼曾於高盛證券任職約六年，亦曾於野村證券及美林證券分別任職約兩年及九年。唐先生於二零零三年八月加盟本集團。

Tarun GUPTA醫生，43歲，本集團業務開發部(國際分部)聯合主管，亦為印度萬全藥業之行政總裁。Gupta醫生於一九八二年十二月取得醫學學士學位及外科學士學位。彼於二零零零年十二月加盟本集團前，曾任職於印度Lupin Laboratories Limited，並於一九九六年獲調派至香港出任獨家市場推廣及分銷代理，負責於亞洲地區推廣及分銷Lupin Group之產品。彼於製藥業擁有十三年經驗。

Mr. Stanley Shan SUN, aged 32, is the head of both the Investment Department and the General Administration Department. Mr. Sun joined the Group in July 2002. He is a Certified Securities Trader and a Certified Securities Underwriter. Mr. Sun graduated from the University of Western Sydney with a Master degree in Operations Management in April 1999. After returning to China in 1999, he has served as a Project Manager in the Investment Banking Department of CITICS Securities Co. Ltd from July 1999 to June 2002. In this capacity, he took part in the public offering of 2 enterprises, which raised more than RMB900 million in aggregate.

Mr. Wallace Xinhua TAO, aged 34, is the head of the Sales Department. Mr. Tao graduated from Lanzhou University in June 1992 with a Bachelor of Science specialising in organic chemistry. He has worked as the director of sales and marketing for a domestic pharmaceutical company. From 1993, he has been working in the areas of corporate development, training, sales and marketing for several pharmaceutical companies. He has 9 years of experience in pharmaceutical marketing in the PRC. Mr. Tao joined the Group in May 2002.

Mr. Michael Kun LIU, aged 36, is the head of the Medicinal Drug Entity Division, (Pharmaceutical Development, R&D). Mr. Liu obtained a Master degree in Pharmaceutical Science from Osaka University in Japan in March 1998. He worked for Number 6 Northeastern Pharmaceutical Factory between 1991 and 1994 in the area of new product development and was involved in several new product programs. Mr. Liu joined the Group in June 2002 and has 11 years of experience in the field of pharmaceutical industry.

孫珊先生，32歲，投資部及一般行政部主管，於二零零二年七月加盟本集團。彼為執業證券交易員及執業證券承銷商。孫先生於一九九九年四月畢業於University of Western Sydney，取得經營管理碩士學位。一九九九年回國後，彼於一九九九年七月至二零零二年六月擔任中信證券股份有限公司投資銀行部項目經理。任職期間，他曾參與兩間企業之公開發售，籌集超過人民幣900,000,000元之資金。

陶新華先生，34歲，銷售部主管，一九九二年六月自蘭州大學畢業，持有有機化學理學士學位。彼曾擔任一間國內製藥公司之銷售及市場推廣主任。自一九九三年起，彼一直為多間製藥公司擔任企業拓展、培訓、銷售及市場推廣之工作。彼於中國藥品之市場推廣方面擁有九年經驗，於二零零二年五月加盟本集團。

劉昆先生，36歲，研發部藥品開發之藥品實體分部主管。劉先生於一九九八年三月獲日本大阪大學頒授製藥科學碩士學位。彼於一九九一年至一九九四年間任職於東北第六製藥廠，從事新產品開發，並參與若干新產品項目。劉先生在二零零二年六月加盟本集團，彼在製藥行業擁有十一年經驗。

The directors of the Company present their first annual report and the audited financial statements of the Company for the period from 21 May 2002 (date of incorporation) to 31 December 2003 and of the Group for the year ended 31 December 2003.

### 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 21 May 2002 as an exempted company with limited liability under the Companies Law (2002 Revision) of the Cayman Islands.

Pursuant to a group reorganisation to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") in preparation for the listing of the Company's shares on GEM of the Stock Exchange (the "Group Reorganisation"), the Company became the holding company of the companies now comprising the Group on 31 March 2003.

Details of the Group Reorganisation are set out in the prospectus issued by the Company dated 30 June 2003 (the "Prospectus").

The shares of the Company were listed on the GEM of the Stock Exchange on 10 July 2003 (the "Listing Date").

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries are set out in note 10 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results and appropriations of the Group for the year ended 31 December 2003 are set out in the consolidated income statement on page 37 of the annual report.

The directors recommend the payment of a final dividend of HK0.5 cent per share to the shareholders on the register of members on 29 April 2004, amounting to HK\$1,800,000 (equivalent to RMB1,908,000), and the retention of the remaining profit for the year of RMB18,452,000.

本公司董事謹此呈報本公司於二零零二年五月二十一日(註冊成立日期)至二零零三年十二月三十一日期間及本集團截至二零零三年十二月三十一日止年度之首份年度報告及經審核財務報表。

### 重組及在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市

本公司根據開曼群島公司法(二零零二年修訂版)於二零零二年五月二十一日在開曼群島註冊成立為獲豁免有限責任公司。

根據本公司為籌備將其股份於聯交所之創業板上市而精簡本公司及其附屬公司(以下統稱「本集團」)之架構所進行之集團重組(「集團重組」)，本公司於二零零三年三月三十一日成為現組成本集團各公司之控股公司。

有關集團重組之詳情已載於本公司於二零零三年六月三十日刊發之售股章程內。

本公司之股份於二零零三年七月十日(「上市日期」)於聯交所創業板上市。

### 主要業務

本公司為一間投資控股公司。本公司之附屬公司之主要業務載於財務報表附註10。

### 業績及分派

本集團截至二零零三年十二月三十一日止年度之業績及分派載於本年報第37頁綜合收益表。

董事建議向於二零零四年四月二十九日名列股東登記冊之股東派付每股0.5港仙之末期股息，總金額為1,800,000港元(相等於人民幣1,908,000元)，並保留本年度餘下溢利人民幣18,452,000元。



**PROPERTY, PLANT AND EQUIPMENT**

Details of movements in the property, plant and equipment of the Company during the year are set out in note 9 to the financial statements.

**POST BALANCE SHEET EVENTS**

Details of the post balance sheet events of the Group are set out in note 23 to the financial statements.

**SHARE CAPITAL**

Details of movements in the share capital of the Company during the period are set out in note 15 to the financial statements.

**DIRECTORS**

The directors of the Company during the period and up to the date of this report are:

***Executive Directors***

William Xia GUO (Managing Director)	(appointed on 21 May 2002)
Uri Tak Kau LAW	(appointed on 6 August 2002)
Maria Xue mei SONG	(appointed on 6 August 2002)
David Xuesong GAO	(appointed on 18 March 2004)

***Non-Executive Directors***

Derek LEE	(appointed on 6 August 2002 and resigned on 18 March 2004)
Tao FENG	(appointed on 6 August 2002)
Xin WU	(appointed on 6 August 2002)
Philip Pak Yiu YUEN	(appointed on 6 August 2002)

***Independent Non-Executive Directors***

Ming Yu WU	(appointed on 6 August 2002)
Paul CONTOMICHALOS	(appointed on 15 August 2002)

**物業、廠房及設備**

年內本公司物業、廠房及設備之變動詳情載於財務報表附註9。

**結算日後事項**

本集團結算日後事項之詳情載於財務報表附註23。

**股本**

期內本公司之股本變動詳情載於財務報表附註15。

**董事**

期內及截至本報告日期止本公司之董事為：

***執行董事***

郭夏 (董事總經理)	(於二零零二年五月二十一日獲委任)
羅德球	(於二零零二年八月六日獲委任)
宋雪梅	(於二零零二年八月六日獲委任)
高雪松	(於二零零四年三月十八日獲委任)

***非執行董事***

李信德	(於二零零二年八月六日獲委任， 並於二零零四年三月十八日辭任)
馮濤	(於二零零二年八月六日獲委任)
吳欣	(於二零零二年八月六日獲委任)
阮北耀	(於二零零二年八月六日獲委任)

***獨立非執行董事***

吳明瑜	(於二零零二年八月六日獲委任)
Paul CONTOMICHALOS	(於二零零二年八月十五日獲委任)

Each of the executive directors except Dr. David Xuesong GAO has entered into a service contract with the Company for three years from the Listing Date. The Company is in the process of negotiating a service contract with Dr. David Xuesong GAO. Each of the executive directors was appointed as director of the Company respectively subject to termination in certain circumstances as stipulated in the relevant services contracts.

In accordance with Article 112 of the Company's Articles of Association, Dr. UriTak Kau LAW and Dr. Maria Xue mei SONG retire and, being eligible, offer themselves for re-election.

Save as disclosed above, no directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN SECURITIES

At 31 December 2003, the interests and short positions of the directors, chief executives of the Group and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to rules 5.41 to 5.49 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") were as follows:

各執行董事(高雪松博士除外)已與本公司訂立自上市日期起計為期三年之服務合約。本公司現正與高雪松博士商議簽訂服務合約。各執行董事均獲委任為本公司董事，惟可在有關服務合約上訂明之若干情況下予以終止。

根據本公司之公司組織章程細則第112條，羅德球博士及宋雪梅博士退任並合資格膺選連任。

除上文所披露者外，擬於應屆股東週年大會上膺選之董事，概無訂立任何本集團於一年內不作出補償(法定補償除外)而不能予以終止之服務合約。

### 董事於證券之權益

於二零零三年十二月三十一日，本集團之董事、主要行政人員及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中擁有(a)須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條，須列入該條所述登記冊之權益及淡倉；或(c)根據聯交所創業板證券上市規則(「創業板上市規則」)第5.41至5.49條所述之權益及淡倉如下：

## LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

於本公司股份及相關股份之好倉

## (1) The Company

## (1) 本公司

Name 姓名	Type of interest 權益類別	Capacity 身份	Number of shares in which interested (other than under equity derivatives) 持有權益之股份數目 (股本衍生工具除外)	Number of shares in which interested under physically settled equity derivative 根據實物結算 股本衍生工具 持有權益之股份數目	Total number of shares 股份總數	Approximate percentage of interest 權益概約 百分比
William Xia GUO 郭夏	Personal 個人	Beneficial owner 實益擁有人	9,110,377	7,200,000	16,310,377	4.53
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團之權益(附註1)	149,432,583	–	149,432,583	41.51
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled corporation (Note 2) 受控制法團之權益(附註2)	15,966,073	–	15,966,073	4.44
Uri Tak Kau LAW 羅德球	Personal 個人	Beneficial owner 實益擁有人	39,081	1,800,000	1,839,081	0.51
Uri Tak Kau LAW 羅德球	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團之權益(附註1)	149,432,583	–	149,432,583	41.51
Uri Tak Kau LAW 羅德球	Corporate 公司	Interest of a controlled corporation (Note 2) 受控制法團之權益(附註2)	15,966,073	–	15,966,073	4.44
Maria Xue mei SONG 宋雪梅	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團之權益(附註1)	149,432,583	–	149,432,583	41.51
Maria Xue mei SONG 宋雪梅	Corporate 公司	Interest of a controlled corporation (Note 2) 受控制法團之權益(附註2)	15,966,073	–	15,966,073	4.44
David Xuesong GAO 高雪松	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團之權益(附註1)	149,432,583	–	149,432,583	41.51
David Xuesong GAO 高雪松	Corporate 公司	Interest of a controlled corporation (Note 2) 受控制法團之權益(附註2)	15,966,073	–	15,966,073	4.44
Derek LEE 李信德	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團之權益(附註1)	149,432,583	–	149,432,583	41.51
Derek LEE 李信德	Corporate 公司	Interest of a controlled corporation (Note 2) 受控制法團之權益(附註2)	15,966,073	–	15,966,073	4.44
Philip Pak Yiu YUEN 阮北耀	Personal 個人	Beneficial owner 實益擁有人	4,128,573	–	4,128,573	1.15

# Directors' Report (continued)

## 董事會報告(續)

Note 1: The controlled corporation, Venturepharm Holdings Inc., is 47.63 per cent. directly held by Mr. William Xia GUO, 10.26 per cent. directly held by Dr. Uri Tak Kau LAW, 0.02 per cents directly held by Dr. Maria Xue Mei SONG, 0.55 per cent. Directly held by Dr. David Xuesong GAO, 3.41 per cents. directly held by Dr. Derek LEE and 34.68 per cent. held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in the British Virgin Islands.

Note 2: The controlled corporation, Bright Excel Assets Limited, is 100 per cent. beneficially owned by Venturepharm Holdings Inc..

Note 3: Various interests of the directors and chief executives pursuant to physically settled equity derivatives are through share options granted under the Pre-IPO share option scheme. Details of which are set forth as follows:

附註1：受控制法團Venturepharm Holdings Inc.分別由郭夏先生、羅德球博士、宋雪梅博士、高雪松博士及李信德博士各直接持有47.63%、10.26%、0.02%、0.55%及3.41%股權，以及由郭夏先生透過Winsland Agents Limited（於英屬處女群島註冊成立，由郭先生全資實益擁有）持有34.68%股權。

附註2：受控制法團Bright Excel Assets Limited全部股權由Venturepharm Holdings Inc.實益擁有。

附註3：董事及主要行政人員於實物結算股本衍生工具項下之多項權益為透過根據首次公開發售前購股權計劃所授出之購股權持有。詳情載列如下：

### Number of shares in which interested under physically settled equity derivatives as at 20.6.2003 and 31.12.2003

Name 姓名	於二零零三年六月二十日及 二零零三年十二月三十一日 根據實物結算股本衍生工具 持有權益之股份數目	Date of grant 授出日期	Exercise price 行使價
William Xia GUO 郭夏	7,200,000	20 June 2003 二零零三年六月二十日	HK\$0.32 0.32 港元
Uri Tak Kau LAW 羅德球	1,800,000	20 June 2003 二零零三年六月二十日	HK\$0.32 0.32 港元

Options granted to each of them contain a vesting schedule, pursuant to which may be exercised up to 30 per cent. of the underlying shares after 31 December 2003, up to another 30 per cent. of the underlying shares after 31 December 2004 and the remaining balance after 31 December 2005. These options will expire ten years after the date of grant. Each of the grantees has also undertaken to the Stock Exchange that they will not exercise their options granted under the Pre-IPO share option scheme within the first 12 months from the Listing Date.

彼等獲授之購股權均附帶歸屬時間，據此，彼等可於二零零三年十二月三十一日後行使不多於相關股份30%之購股權、於二零零四年十二月三十一日後行使不多於相關股份其餘30%之購股權，及於二零零五年十二月三十一日後行使餘下之購股權。有關購股權將於授出日期後十年屆滿。各承授人亦已向聯交所承諾，於上市日期起計首12個月內，彼等不會行使彼等根據首次公開發售前購股權計劃獲授之購股權。

(2) *A subsidiary of the Company – Beijing Dezhong – Venture Pharmaceutical Technology Development Company Limited*

(2) 本公司之附屬公司 – 北京德眾萬全藥物技術開發有限公司

Name 姓名	Type of interest 權益類別	Capacity 身份	Capital contribution on a Sino-foreign co-operative joint venture 於一間中外合作合營企業之出資額	Approximate percentage of contributions to shareholding joint venture 於合營企業股權之權益概約百分比
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團之權益(附註1)	US\$111,000 111,000 美元	12.83

Note 1: The interest is held by Beijing Venturepharm Biotech Pharmaceutical Technology Company Limited, a limited liability company incorporated in the People's Republic of China (the "PRC"), for which 79 per cent. of its shareholding is beneficially held by William Xia GUO. For the remaining 21 per cent. shareholding, 20 per cent. is held by Dr. Uri Tak Kau LAW and 1 per cent. held by Dr. Maria Xue mei SONG. All are executive directors of the Company.

附註1：股權由北京萬全生物醫藥科技有限公司持有。該公司為一家於中華人民共和國（「中國」）註冊成立之有限公司，其79%股權由郭夏先生實益持有。其餘21%股權分別由羅德球博士及宋雪梅博士持有20%及1%。彼等均為本公司執行董事。

Save as disclosed above, as at 31 December 2003, none of the directors or chief executives had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the rules 5.41 to 5.49 of the GEM Listing Rules.

除上文所披露者外，於二零零三年十二月三十一日，董事或主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益或淡倉），或(b)根據證券及期貨條例第352條須列入該條例所述登記冊之任何權益或淡倉；或(c)根據創業板上市規則第5.41至5.49條之規定之任何權益或淡倉。

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 22 to the financial statements, no other contracts of significance to which the Company and any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

### 董事於重大合約之權益

除財務報表附註22所披露者外，於期末或期內任何時間，概無存在本公司及其任何附屬公司為其中訂約方及本公司之董事於其中直接或間接擁有重大權益之重大合約。

### CONNECTED TRANSACTIONS

Venturepharm Inc. ("VP Inc."), a subsidiary of the Company's shareholder, engages the Group to research and develop seven new drugs and provide related pharmaceutical application, registration and testing services. According to the agreements entered into by VP Inc. and the Group, approximately 20 to 40 per cent. of the contract sum is payable by VP Inc. within seven days after the application to The State Food and Drug Administration of the People's Republic of China (the "SFDA") for clinical study permit is accepted; approximately 30 per cent. within seven days after obtaining clinical study permit from the SFDA; approximately 20 to 40 per cent. after completion of clinical trial with submission of a full report to VP Inc.; and approximately 10 per cent. within seven days after obtaining new drug certificate from the SFDA. The total contract value is RMB6.6 million, which were, in the opinion of the directors of the Company, conducted in the normal course of business at prices and terms no less than those charged to and contracted with other third party customers of the Group. During the year, the Group received RMB1,655,000 from VP Inc. for these services provided. The Group was granted a waiver covering the period from the Listing Date to 31 December 2005 from strict compliance with the GEM Listing Rules.

### 關連交易

本公司股東之附屬公司Venturepharm Inc. (「VP Inc.」) 委聘本集團研究及開發七種新藥及提供相關製藥申請、註冊及測試服務。根據VP Inc.與本集團訂立之協議，VP Inc.須於中華人民共和國國家食品藥品監督管理局 (「國家食品藥品監督管理局」) 受理臨床研究許可證之申請後七日內支付合約總金額約20至40%；取得國家食品藥品監督管理局之臨床研究許可證後七日內支付約30%；於完成臨床試驗並向VP Inc.提交完整報告後支付約20至40%；並於取得國家食品藥品監督管理局之新藥證書後七日內支付約10%。合約總值人民幣6,600,000元。本公司董事認為有關合約乃於日常業務進程中按不遜於支付予本集團其他第三方客戶之價格及與其訂立之條款而訂立。年內，本集團就所提供之該等服務收取VP Inc.人民幣1,655,000元。由上市日期起計至二零零五年十二月三十一日止期間，本集團獲授豁免，毋須嚴格遵守創業板上市規則。

## SHARE OPTION SCHEMES

## 1. Pre-IPO Share Option Scheme

Pursuant to the written resolution passed by the shareholder on 31 March 2003, the Company adopted a share option scheme (the "Pre-IPO Share Option Scheme") in order to recognise and reward the contribution of certain directors, senior management and advisers, the details of which are set out in the paragraphs headed "Share Option Schemes" in Appendix IV to the Prospectus. As at 20 June 2003, options comprising a total of 11,520,000 underlying shares were granted. As at 31 December 2003, the options outstanding are 11,520,000 and no options granted pursuant to the Pre-IPO Share Option Scheme had been exercised, cancelled or lapsed. Particulars of the outstanding options which have been granted under the Pre-IPO Share Option Scheme as at 31 December 2003 are as follows:

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 購股權於授出 日期後可予行使期限	Exercise price per share 每股行使價	Number of underlying shares under the option as at 20.6.2003 and 31.12.2003 於二零零三年六月二十日及 二零零三年十二月三十一日 購股權所涉及之相關股份數目
William Xia GUO (Note 1 & 2) 郭夏(附註1及2)	10 years 十年	HK\$0.32 0.32 港元	7,200,000
Uri Tak Kau LAW (Note 1 & 2) 羅德球(附註1及2)	10 years 十年	HK\$0.32 0.32 港元	1,800,000
1 other participant (Note 1 & 2) 一名其他參與者(附註1及2)	10 years 十年	HK\$0.32 0.32 港元	720,000
1 other participant (Note 3) 一名其他參與者(附註3)	10 years 十年	HK\$0.40 0.40 港元	1,800,000
			11,520,000

Note 1: Options granted to each of them contain a vesting schedule, pursuant to which may exercise up to 30 per cent. of the underlying shares after 31 December 2003, (subject to note 2), up to another 30 per cent. of the underlying shares after 31 December 2004 and the balance after 31 December 2005.

Note 2: Each of the grantees has undertaken to the Stock Exchange that they will not exercise their options granted under the Pre-IPO Share Options Scheme within the first 12 months from the Listing Date.

## 購股權計劃

## 1. 首次公開售股前購股權計劃

本公司根據股東於二零零三年三月三十一日通過之書面決議案採納購股權計劃(「首次公開售股前購股權計劃」)，以肯定及嘉獎若干董事、高級管理層及顧問之貢獻，詳情載於售股章程附錄四「購股權計劃」一段。於二零零三年六月二十日，本公司已授出涉及合共11,520,000股相關股份之購股權。於二零零三年十二月三十一日，11,520,000份購股權尚未行使，且根據首次公開售股前購股權計劃授出之購股權概無獲行使、註銷或失效。於二零零三年十二月三十一日，根據首次公開售股前購股權計劃已授出但尚未行使之購股權詳情如下：

附註1：彼等獲授之購股權均附帶歸屬時間，據此，彼等可於二零零三年十二月三十一日後行使不多於相關股份30%之購股權(在附註2之規限下)，於二零零四年十二月三十一日後行使不多於相關股份其餘30%之購股權，及於二零零五年十二月三十一日後行使餘下之購股權。

附註2：各承授人已向聯交所承諾，於上市日期起計首12個月內，彼等將不會行使根據首次公開售股前購股權計劃獲授之購股權。

Note 3: Options granted to an adviser contain a vesting schedule, pursuant to which may exercise up to 30 per cent. of the underlying shares after 31 December 2002, up to another 30 per cent. of the underlying shares after 31 December 2003 and the balance after 31 December 2004. The respective grantee has undertaken to the Stock Exchange that he will not exercise his options granted under the Pre-IPO Share Options Scheme within the first 6 months from the Listing Date.

### 2. Share Option Scheme

Pursuant to the written resolutions by the shareholders of the Company on 23 May 2003, the Company adopted a share option scheme.

However, no option had been granted or agreed to be granted by the Company since its adoption.

#### Valuation of share options

The options granted are not recognised in the financial statements of the Group until they are exercised. The directors of the Company consider that it is not appropriate to state the value of the options granted during the year on the ground that a number of variables which are crucial for the valuation of the option value cannot be reasonably determined. Accordingly, the directors of the Company believe that any valuation of the share options based on a great number of speculative assumptions would not be meaningful and may be misleading to the shareholders of the Company.

Other than the share option schemes as mentioned above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors or chief executives, nor any of their spouses or children under the age of eighteen, had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

附註3：授予一名顧問之購股權附帶歸屬時間，據此，彼可於二零零二年十二月三十一日後行使不多於相關股份30%之購股權，於二零零三年十二月三十一日後行使不多於相關股份其餘30%之購股權，及於二零零四年十二月三十一日後行使餘下之購股權。有關承授人已向聯交所承諾，於上市日期起計首6個月內，彼將不會行使根據首次公開售股前購股權計劃獲授之購股權。

### 2. 購股權計劃

根據本公司股東於二零零三年五月二十三日之書面決議案，本公司採納一項購股權計劃。

然而，自採納購股權計劃以來，本公司並無授出或同意授出任何購股權。

#### 購股權之估值

獲授出之購股權於行使前概不會在本集團之財務報表內確認。本公司董事認為，由於無法合理釐定多個就購股權估值而言屬關鍵之變數，故不宜列明年內授出之購股權之價值。因此，本公司董事相信基於大量推測性假設對購股權作出之估值並無意義，而且可能會誤導本公司股東。

除上述購股權計劃外，於期內任何時間，本公司或其任何附屬公司並無訂立任何安排，以使本公司董事可透過收購本公司或任何其他法團之股份或債券之方式獲利。概無董事或主要行政人員、彼等之任何配偶或十八歲以下之子女擁有任何權利可認購本公司之證券，或已於年內行使任何該等權利。



**SUBSTANTIAL SHAREHOLDERS**

So far as it is known to any directors, chief executives of the Company, as at 31 December 2003, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

**LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY****(1) The Company**

Name 名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of interest 權益概約百分比
Venturepharm Holdings Inc. (Note 1) (附註1)	Beneficial owner 實益擁有人	149,432,583	41.51
Venturepharm Holdings Inc. (Note 2) (附註2)	Interest of a controlled corporation 受控制法團之權益	15,966,073	4.44
C Tech Fund	Beneficial owner 實益擁有人	80,736,558	22.43
William Xia GUO (Note 1, 2 & 3) 郭夏 (附註1、2及3)	Beneficial owner and interest of controlled corporations 實益擁有人及受控制法團之權益	181,709,033	50.48

Note 1: The controlled corporation, Venturepharm Holdings Inc., is 47.63 per cent. directly held by Mr. William Xia GUO, 10.26 per cent. directly held by Dr. Uri Tak Kau LAW, 0.02 per cents directly held by Dr. Maria Xue Mei SONG, 0.55 per cent. Directly held by Dr. David Xuesong GAO, 3.41 per cents. directly held by Dr. Derek LEE and 34.68 per cent. held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in the British Virgin Islands.

Note 2: The controlled corporation, Bright Excel Assets Limited, is 100 per cent. beneficially owned by Venturepharm Holdings Inc..

Note 3: Apart from shares held through Venturepharm Holdings Inc., the shares in the number of 16,310,377 are beneficially owned by Mr. William Xia GUO (including 7,200,000 shares underlying the options granted to him under the Pre-IPO Share Option Scheme).

Save as disclosed above, as at 31 December 2003, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares

**主要股東**

據本公司董事及主要行政人員所知，於二零零三年十二月三十一日，以下人士持有本公司之股份及相關股份中的權益或淡倉而須根據證券及期貨條例第XV部第2及第3分部作出披露，或須根據證券及期貨條例第XV部第336條須列入該條所述登記冊之權益及淡倉：

**於本公司股份及相關股份之好倉****(1) 本公司**

Name 名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of interest 權益概約百分比
Venturepharm Holdings Inc. (Note 1) (附註1)	Beneficial owner 實益擁有人	149,432,583	41.51
Venturepharm Holdings Inc. (Note 2) (附註2)	Interest of a controlled corporation 受控制法團之權益	15,966,073	4.44
C Tech Fund	Beneficial owner 實益擁有人	80,736,558	22.43
William Xia GUO (Note 1, 2 & 3) 郭夏 (附註1、2及3)	Beneficial owner and interest of controlled corporations 實益擁有人及受控制法團之權益	181,709,033	50.48

附註1：受控制法團Venturepharm Holdings Inc.分別由郭夏先生、羅德球博士、宋雪梅博士、高雪松博士及李信德博士各直接持有47.63%、10.26%、0.02%、0.55%及3.41%股權，以及由郭夏先生透過Winsland Agents Limited (於英屬處女群島註冊成立，由郭先生全資實益擁有)持有34.68%股權。

附註2：受控制法團Bright Excel Assets Limited全部股權由Venturepharm Holdings Inc.實益擁有。

附註3：除透過Venturepharm Holdings Inc.持有之股份外，郭夏先生實益擁有16,310,377股股份，其中包括根據首次公開售股前購股權計劃授予其之購股權可發行之7,200,000股股份。

除上文所披露者外，於二零零三年十二月三十一日，概無任何其他人士於本公司之股份或相關股份中持有須根據證券及期貨條例第XV部第2及第3分部須向本公

or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein.

### COMPETING INTERESTS

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

### SPONSOR'S INTERESTS

As at 31 December 2003, neither the sponsor of the Company, DBS Asia Capital Limited ("DBS"), nor its directors, employees or any of their associates (as defined in the GEM Listing Rules), had any interest in any securities of the Company.

Pursuant to the agreement dated 25 June 2003, entered into between the Company and DBS, DBS received, and will receive, fees for acting as the Company's sponsor for the periods of the financial year ended 31 December 2003 and two financial years thereafter. However, the sponsor agreement was mutually agreed to terminate on 11 January 2004. JS Cresvale Capital Limited was appointed to act as sponsor to the Company with effect from 11 January 2004. Neither JS Cresvale Capital Limited nor its directors, employees or any of their associates (as defined in the GEM Listing Rules), had any interest in any securities of the Company.

### MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest customers of the Group accounted for approximately 36% of the Group's sales. The largest customer accounted for approximately 12% of the sales of the Group.

Aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases.

司披露之權益或淡倉，或須根據證券及期貨條例第XV部第336條須列入該條所述登記冊之權益或淡倉。

### 競爭性權益

本公司之董事或管理層股東(定義見創業板上市規則)及彼等各自之聯繫人士(定義見創業板上市規則)概無於任何與本集團業務構成或可能構成業務競爭的業務中擁有權益。

### 保薦人權益

於二零零三年十二月三十一日，本公司保薦人星展亞洲融資有限公司(「星展」)、其董事、僱員或彼等之聯繫人士(定義見創業板上市規則)概無於本公司之證券中擁有任何權益。

根據本公司與星展於二零零三年六月二十五日訂立之協議，星展將於截至二零零三年十二月三十一日止財政年度期間及其後兩個財政年度內擔任本公司之保薦人，並就此收取費用。然而，保薦人協議已於二零零四年一月十一日在雙方同意下予以終止。日盛嘉富融資有限公司已自二零零四年一月十一日起獲委任為本公司之保薦人。日盛嘉富融資有限公司、其董事、僱員或彼等之聯繫人士(定義見創業板上市規則)概無於本公司之證券中擁有任何權益。

### 主要供應商及客戶

年內，本集團五大客戶佔本集團銷售額約36%。最大客戶佔本集團銷售額約12%。

本集團五大供應商應佔總購貨額少於本集團總購貨額30%。

None of the directors, their associates or any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital had any interest in the five largest customers of the Group.

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

The Company or any of its subsidiaries did not purchase, sell or redeem any of the Company's listed securities for the year ended 31 December 2003.

### **BOARD PRACTICES AND PROCEDURES**

The Company has complied with the board practices and procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules throughout the year ended 31 December 2003.

### **AUDIT COMMITTEE**

The Company has established an audit committee in July 2003 with written terms of reference in compliance with Rules 5.23 to 5.25 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board. The audit committee has two members comprising the two Independent Non-Executive Directors, Mr. Ming Yu WU and Mr. Paul CONTOMICHALOS. Mr. Ming Yu WU is the chairman of the audit committee.

The Group's interim financial results for the six months ended 30 June 2003, the third quarterly financial results for the nine months ended 30 September 2003 and the audited financial statements for the year ended 31 December 2003 have been reviewed by the audit committee. The audit committee had held two meetings during the current financial year.

### **PRE-EMPTIVE RIGHTS**

There is no provision for 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.

就董事所知，擁有本公司已發行股本逾5%之董事、其聯繫人士或任何股東概無於本集團五大客戶中擁有任何權益。

### **購買、出售或贖回本公司上市證券**

截至二零零三年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

### **董事會常規及程序**

本公司於截至二零零三年十二月三十一日止年度一直遵守創業板上市規則第5.28至5.39條所載之董事會常規及程序之規定。

### **審核委員會**

本公司於二零零三年七月成立審核委員會，並遵照創業板上市規則第5.23至5.25條之規定以書面方式訂明其職權範圍。審核委員會之主要職責為覆審及監管本集團之財務申報程序及內部監控制度，並向董事會提供意見及建議。審核委員會由兩名獨立非執行董事吳明瑜先生及Paul CONTOMICHALOS先生組成，吳明瑜先生為審核委員會之主席。

審核委員會已審閱本集團截至二零零三年六月三十日止六個月之中期財務業績、截至二零零三年九月三十日止九個月之第三季度財務業績及截至二零零三年十二月三十一日止年度之經審核財務報表。審核委員會於本財政年度已舉行兩次會議。

### **優先購股權**

本公司之公司組織章程細則或開曼群島法並無優先購股權之條文，故本公司毋須按比例向現有股東提呈新股。

# Directors' Report (continued)

## 董事會報告(續)

### AUDITORS

The financial statements were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**William Xia GUO**

*Chairman*

Beijing, the PRC  
18 March, 2004

### 核數師

德勤•關黃陳方會計師行已審核財務報表。股東週年大會上將提呈決議案重新委任德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

主席

郭夏

中國北京  
二零零四年三月十八日

## 德勤·關黃陳方會計師行

Certified Public Accountants  
26/F, Wing On Centre  
111 Connaught Road Central  
Hong Kong

執業會計師  
香港  
干諾道中111號  
永安中心26樓

**Deloitte  
Touche  
Tohmatsu**

**TO THE SHAREHOLDERS OF  
VENTUREPHARM LABORATORIES LIMITED**  
萬全科技藥業有限公司

*(incorporated in the Cayman Islands with limited liability)*

We have audited the financial statements on pages 37 to 68 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**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 financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**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.

**致萬全科技藥業有限公司**

*(於開曼群島註冊成立之有限公司)*

**全體股東**

本核數師已完成審核載於第37至第68頁按照香港普遍採納之會計原則而編製之財務報表。

**董事及核數師之責任**

貴公司之董事負責編製真實與公平之財務報表。在編製真實與公平之財務報表時，董事必須貫徹採用合適之會計政策。

本行之責任是根據本行審核工作之結果，對該等財務報表作出獨立意見，並僅向整體股東報告，除此之外本報告別無其他目的。本行不會就本報告之內容向任何其他人士負上或承擔任何責任。

**意見之基礎**

本行乃按照香港會計師公會頒佈之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之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計和判斷、所釐定之會計政策是否適合 貴公司及 貴集團之具體情況，以及有否貫徹運用並足夠地披露該等會計政策。

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 31 December 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong, 18 March 2004

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之資料及解釋為目標，使本行能獲得充分之憑證，就該等財務報表是否存在有重要錯誤陳述，作出合理之確定。在表達意見時，本行亦已衡量該等財務報表內所載資料整體來說是否足夠。本行相信，本行之審核工作已為下列意見建立合理之基礎。

### 意見

本行認為上述之財務報表真實與公平地反映 貴公司及 貴集團於二零零三年十二月三十一日之財務狀況及 貴集團於截至該日止年度之盈利和現金流量，並已按照香港公司條例之披露要求而妥善編製。

德勤 • 關黃陳方會計師行

執業會計師

香港，二零零四年三月十八日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

		Notes 附註	2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
Turnover	營業額	4	35,680	32,453
Cost of sales	銷售成本		(7,211)	(9,376)
Gross profit	毛利		28,469	23,077
Other operating income	其他經營收入		3,094	94
Administrative expenses	行政開支		(9,569)	(3,621)
Profit before taxation	除稅前溢利	5	21,994	19,550
Taxation	稅項	7	(1,506)	(237)
Profit after taxation before minority interests	除稅後但未計少數 股東權益前溢利		20,488	19,313
Minority interests	少數股東權益		(128)	(186)
Profit for the year	本年度溢利		20,360	19,127
Dividends, proposed final dividend of HK0.5 cent (2002: Nil) per ordinary share	股息，擬派末期股息 每股普通股 0.5港仙(二零零二年：無)		1,908	-
Earnings per share (RMB)	每股盈利(人民幣元)	8		
– basic	– 基本		0.0650	0.0708
– diluted	– 攤薄		0.0647	N/A 不適用

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 December 2003  
於二零零三年十二月三十一日

		Notes 附註	2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	4,721	3,983
Investments in securities	證券投資	11	25,906	–
			<b>30,627</b>	3,983
Current Assets	流動資產			
Work-in-progress	在製品	12	19,320	10,529
Trade receivables	應收貿易賬款	13	1,634	2,190
Other receivables, deposits and prepayments	其他應收款項、按金 及預付款項		8,094	890
Amounts due from related companies	應收關連公司款項	14	2,651	1,005
Bank balances and cash	銀行結餘及現金		33,153	23,616
			<b>64,852</b>	38,230
Current Liabilities	流動負債			
Other payables	其他應付款項		1,543	1,259
Receipt-in-advance	預收款項		2,208	2,834
Taxation	稅項		697	64
			<b>4,448</b>	4,157
Net Current Assets	流動資產淨值		<b>60,404</b>	34,073
Total Assets less Current Liabilities	總資產減流動負債		<b>91,031</b>	38,056
Minority Interest	少數股東權益		<b>870</b>	742
			<b>90,161</b>	37,314
Capital and Reserves	股本及儲備			
Share capital	股本	15	38,160	8,402
Reserves	儲備		52,001	28,912
			<b>90,161</b>	37,314

The financial statements on pages 37 to 68 were approved and authorised for issue by the Board of Directors on 18 March 2004 and are signed on its behalf by:

載於第37至第68頁之財務報表於二零零四年三月十八日獲董事會批准及授權發佈，並由下列董事代表董事會簽署：

**Mr. William Xia GUO**  
DIRECTOR

**Dr. Uri Tak Kau LAW**  
DIRECTOR

郭夏先生  
董事

羅德球博士  
董事



# Balance Sheet

## 資產負債表

At 31 December 2003  
於二零零三年十二月三十一日

		Notes 附註	RMB'000 人民幣千元
Non-current Assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	9	31
Interests in subsidiaries	於附屬公司之權益	10	39,936
Investments in securities	證券投資	11	25,906
			<u>65,873</u>
Current Assets	流動資產		
Other receivables	其他應收款項		878
Amount due from a related company	應收關連公司款項	14	25
Bank balances	銀行結餘		5,264
			<u>6,167</u>
Current Liability	流動負債		
Other payables	其他應付款項		546
Net Current Assets	流動資產淨值		<u>5,621</u>
Total Assets less Current Liability	總資產減流動負債		71,494
Non-current Liability	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	10	2,472
			<u>69,022</u>
Capital and Reserves	股本及儲備		
Share capital	股本	15	38,160
Reserves	儲備	17	30,862
			<u>69,022</u>

**Mr. William Xia GUO**  
DIRECTOR

**Dr. Uri Tak Kau LAW**  
DIRECTOR

郭夏先生  
董事

羅德球博士  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise fund expansion	Accumulated profits	Total
		股本	股份溢價	特別儲備	資本儲備	法定儲備	法定企業 發展基金	累計溢利	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(note 17)	(note 17)	(note 17)	(note 17)		
				(附註17)	(附註17)	(附註17)	(附註17)		
At 1 January 2002	於二零零二年一月一日	8,402	-	-	-	1,115	2,239	2,227	13,983
Capital contributed by shareholders	股東之資本出資	-	-	-	6,622	-	-	-	6,622
Expenses paid in connection with the issue of shares	有關發行股份之已付開支	-	(2,418)	-	-	-	-	-	(2,418)
Transfer	轉撥	-	-	-	-	883	2,942	(3,825)	-
Profit for the year	本年度溢利	-	-	-	-	-	-	19,127	19,127
At 31 December 2002	於二零零二年十二月三十一日	8,402	(2,418)	-	6,622	1,998	5,181	17,529	37,314
Effect of Group Reorganisation	集團重組之影響	(6,039)	-	6,039	-	-	-	-	-
Capitalisation issue during the year	本年度資本化發行	26,257	(20,529)	-	(5,728)	-	-	-	-
Issue of shares on placing	因配售而發行股份	9,540	29,574	-	-	-	-	-	39,114
Expenses paid in connection with the issue of shares	有關發行股份之已付開支	-	(6,627)	-	-	-	-	-	(6,627)
Transfer	轉撥	-	-	-	-	933	933	(1,866)	-
Profit for the year	本年度溢利	-	-	-	-	-	-	20,360	20,360
<b>At 31 December 2003</b>	<b>於二零零三年十二月三十一日</b>	<b>38,160</b>	<b>-</b>	<b>6,039</b>	<b>894</b>	<b>2,931</b>	<b>6,114</b>	<b>36,023</b>	<b>90,161</b>

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

		2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit from operations	經營溢利	21,994	19,550
Adjustments for:	就以下各項作出之調整：		
Allowance for trade receivables	應收貿易賬款撥備	3,190	748
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備之折舊及攤銷	194	314
Interest income	利息收入	(789)	(22)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	24,589	20,590
Increase in work-in-progress	在製品增加	(7,959)	(2,174)
Increase in trade receivables	應收貿易賬款增加	(2,634)	(988)
(Increase) decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款項(增加)減少	(7,204)	695
(Increase) decrease in amounts due from related companies	應收關連公司款項(增加)減少	(1,646)	950
Increase in other payables	其他應付款項增加	284	746
Decrease in receipt-in-advance	預收款項減少	(626)	(352)
Cash generated from operations	經營產生之現金	4,804	19,467
People's Republic of China income tax paid	已付中華人民共和國所得稅	(873)	(173)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務之現金淨額</b>	<b>3,931</b>	19,294
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of investments in securities	購買證券投資	(25,906)	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,764)	(2,065)
Interest received	已收利息	789	22
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>用於投資活動之現金淨額</b>	<b>(26,881)</b>	(2,043)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Proceeds from issue of shares	股份發行之所得款項	39,114	-
Share issue expenses	股份發行開支	(6,627)	(2,418)
Capital contributed by shareholders	股東之資本出資	-	6,622
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動之現金淨額</b>	<b>32,487</b>	4,204
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物增加</b>	<b>9,537</b>	21,455
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>年初之現金及現金等價物</b>	<b>23,616</b>	2,161
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR,</b> represented by bank balances and cash	<b>年終之現金及現金等價物</b> 即銀行結餘及現金	<b>33,153</b>	23,616

# Notes to the Financial Statements

## 財務報表附註

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 1. GROUP REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 21 May 2002 as an exempted company with limited liability under the Companies Law (2002 Revision) of the Cayman Islands.

Pursuant to a group reorganisation to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") in preparation for the listing of the Company's shares on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Group Reorganisation"), the Company became the holding company of the companies now comprising the Group on 31 March 2003.

The shares of the Company were listed on the GEM of the Stock Exchange on 10 July 2003 (the "Listing Date").

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, these financial statements have been prepared on the merger accounting basis as if the Company had always been the holding company of the Group.

Details of the Group Reorganisation were set out in the prospectus of the Company dated 30 June 2003 (the "Prospectus").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 10.

The Group's books and records are maintained in Renminbi ("RMB"), the currency in which the majority of the Group's transactions is denominated.

### 1. 集團重組及財務報表編製基準

本公司根據開曼群島公司法(二零零二年修訂版)於二零零二年五月二十一日在開曼群島註冊成立為豁免有限責任公司。

根據本公司為籌備將其股份於香港聯合交易所有限公司(「聯交所」)之創業板(「創業板」)上市而精簡本公司及其附屬公司(以下統稱「本集團」)之架構所進行之集團重組(「集團重組」)，本公司於二零零三年三月三十一日成為現組成本集團各公司之控股公司。

本公司之股份於二零零三年七月十日起於聯交所創業板上市(「上市日期」)。

集團重組後之本集團被視為一間持續經營之實體。故此，有關財務報表按合併會計法基準編製，猶如本公司一直為本集團之控股公司。

有關集團重組之詳情已載於本公司於二零零三年六月三十日刊發之售股章程(「售股章程」)內。

本公司乃一間投資控股公司，其附屬公司之主要業務載於附註10。

本集團之賬目及記錄均以人民幣計算，本集團大部份交易亦以人民幣結算。

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS**

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Society of Accountants (“HKSA”), the terms of HKFRS is inclusive of Statements of Standard Accounting Practice (“SSAP(s)”) and interpretations approved by the HKSA:

SSAP 12 (Revised) “Income taxes”

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred taxation. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred taxation is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. However, the adoption of SSAP 12 (Revised) has no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

***Basis of consolidation***

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

The consolidated financial statements incorporate the effects of the Group Reorganisation which has been accounted for by using merger accounting.

**2. 採納香港財務呈報準則**

於本年度，本集團首次採納以下由香港會計師公會（「香港會計師公會」）頒佈之香港財務呈報準則（「香港財務呈報準則」）。香港財務呈報準則之條文包括由香港會計師公會頒佈之會計實務準則（「會計實務準則」）及詮釋。

會計實務準則第12號（經修訂） 「利得稅」

採納會計實務準則第12號（經修訂）之主要影響乃有關遞延稅項。會計實務準則第12號（經修訂）規定，除少數例外情況外，須採納按資產負債表負債法，就財務報表內資產及負債賬面值與計算應課稅溢利所用之相關稅基產生之一切暫時差異確認遞延稅項。由於會計實務準則第12號（經修訂）並無任何特定過渡性規定，因此新會計政策已追溯應用。然而，採納會計實務準則第12號（經修訂）並無對本期或過往會計期間之業績構成重大影響，因此，毋須作出前期調整。

**3. 主要會計政策**

本財務報表乃根據歷史成本法及按照香港公認之會計原則而編製，其所採納之主要會計政策載列如下：

***綜合基準***

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。

綜合財務報表包括集團重組之影響，有關影響乃以合併會計法入賬。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Basis of consolidation (continued)*

The results of subsidiaries acquired or disposed of during the year 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 inter-company transactions and balances within the Group are eliminated on consolidation.

#### *Investments in subsidiaries*

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

#### *Revenue recognition*

Revenues from transfer of new drug development and formulation data are recognised upon transfer of risks and rewards of ownership, which generally coincides with the time when the compound and data are delivered to customers.

Revenues from contracted research and development, pharmaceutical application, registration and testing services are recognised to the extent of the milestone payments earned in accordance with the applicable performance requirements and contractual terms and, where appropriate, as the related costs are incurred. Payments received that are related to future performance are deferred and recorded as revenues as they are earned over the specified future performance periods.

Subject to the terms as stated in the technology transfer agreements and the buyers' success in commercialisation of the products to which the technology transferred is applied, the Group may receive additional royalty income or profit sharing income in the future. Should there be any royalty income or sharing of profit, they will be recognised when the right to receive the income is established.

### 3. 主要會計政策(續)

#### *綜合基準(續)*

於本年度內收購或出售之附屬公司之業績，由收購之有效日期起或至出售之有效日期止(如適用)計入綜合收益表。

所有集團內公司間之重要交易及結存均已於綜合賬目時對銷。

#### *於附屬公司之投資*

於附屬公司之投資乃按成本減任何已識別減值虧損列入本公司資產負債表。

#### *收益確認*

因轉讓新藥品開發及製劑資料而產生之收益於轉讓所有權之風險及回報時(一般與化合物及資料交予客戶之時間一致)確認。

因已訂約研發、製藥申請、註冊及測試服務而產生之收益，乃按根據適用之履行規定及合約條款而賺取之分期付款及有關成本產生期間(如適用)予以確認。所收取與未來履行有關之款項將予以遞延，並在該等款項於具體未來履行期間賺取時列作收益。

在技術轉讓協議所載述之條款規限下，若買方成功將應用獲轉讓技術之產品商品化，本集團可於未來收取額外特許權收入或溢利分享收入。倘有任何特許權收入或溢利分享，則於收取有關收益之權利獲確立時予以確認。

**3. SIGNIFICANT ACCOUNTING POLICIES  
(continued)****Revenue recognition (continued)**

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

**Property, plant and equipment**

Property, plant and equipment, are stated at cost less depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment, over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold improvement	20%
Machinery	10 – 20%
Furniture, fixture and equipment	10 – 20%
Motor vehicles	20%

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.

**Investments in securities**

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

**3. 主要會計政策(續)****收益確認(續)**

利息收入乃按時間比例基準並計及未清償本金及適用息率累計。

**物業、廠房及設備**

物業、廠房及設備乃按成本減折舊以及累計減值虧損入賬。

折舊乃按物業、廠房及設備之估計可使用年期以直線法撇銷其成本計算，其折舊年率如下：

租賃裝修	20%
機器	10 – 20%
傢俬、裝置及設備	10 – 20%
汽車	20%

出售或報廢資產所得之收益或虧損以出售該資產所得款項與其賬面值之差額釐定，並在收益表內確認。

**證券投資**

證券投資以交易日基準確認，並初步以成本值計算。

於往後之申報日期，本集團有明確意向及能力持有至期滿為止之債務證券乃按攤銷成本減任何已確認之減值虧損衡量價值，以反映無法收回之金額。就購入一項持有至期滿為止之證券所產生任何折讓或溢價之年度攤銷額與有關文據於期內之其他應收投資收入合併計算，使每段期間所確認之收益屬一項固定之投資回報。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Impairment*

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### *Work-in-progress*

Work-in-progress are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of development and other costs that have been incurred for the provision of pharmaceutical application, registration and testing services, is calculated using the first-in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### *Research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity.

### 3. 主要會計政策(續)

#### *減值*

於各結算日，本集團會檢討其資產之賬面值，以確定是否有跡象顯示該等資產出現減值虧損。倘資產之可收回數額估計低於賬面值，則會將該項資產之賬面值減至其可收回數額。減值虧損即時確認為支出。

倘於其後撥回減值虧損，則該項資產之賬面值會增加至經修訂之估計可收回數額，惟增加後之賬面值不得超過該項資產倘於過往年度並無確認減值虧損所計算之賬面值。減值虧損之撥回即時確認為收入。

#### *在製品*

在製品乃按成本及可變現淨值兩者中之較低者列賬。成本包括所有採購成本及(如適用)開發成本以及因提供相關製藥申請、註冊及測試服務之其他成本，並按先進先出法計算。可變現淨值指在日常業務中之估計銷售價減去估計完成成本及估計所需銷售成本。

#### *研究及開發費用*

研究活動之費用於產生期內確認入賬列作開支。

開發費用所產生之內部產生無形資產，只在預期明確訂立之項目所產生之開發成本將在日後商業活動中收回時方確認入賬。



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Taxation*

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable and deductible.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited in the income statement, except when it relates to items charged or credited directly to equity in which case the deferred taxation is also dealt with in equity.

#### *Operating leases*

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

### 3. 主要會計政策(續)

#### *稅項*

利得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已往其他年度之應課稅或應扣減之收入及開支項目，亦不包括作免稅或不可作稅項扣減之項目，故與收益表所列純利不同。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，並以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於很可能可扣減暫時差額可對銷應課稅溢利時予以確認。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從收益表扣除或計入收益表，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目，在該情況下，遞延稅項亦於股本中處理。

#### *經營租約*

經營租約應付租金按有關租約年期以直線法自收益表中扣除。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies

Transactions in currencies other than RMB are translated at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

#### Retirement benefits scheme

The retirement benefit scheme contributions arising from the People's Republic of China (the "PRC") municipal government retirement scheme charged to the income statement represent contributions paid or payable by the Group at rates specified in the rules of the scheme.

### 4. TURNOVER AND SEGMENT INFORMATION

Transfer of technology for new drug and new drug development	轉讓新藥技術及新藥開發
Contracted pharmaceutical development services and clinical research services associated with technology transferred by the Group	有關本集團技術轉讓之已訂約藥物開發服務及臨床研究服務
Contracted pharmaceutical development services and clinical research services not associated with technology transferred by the Group	與本集團技術轉讓無關之已訂約藥物開發服務及臨床研究服務

Turnover and contribution to profit from operations by segment has not been presented as all the Group's turnover was derived from the pharmaceutical research and development, registration, application and testing in the PRC and all assets were located in the PRC for both years.

### 3. 主要會計政策(續)

#### 外幣

非人民幣之交易按交易日之適用匯率換算。於結算日以人民幣計算之貨幣資產及負債均按結算日之適用匯率再換算。所有匯兌損益均撥入收益表處理。

#### 退休福利計劃

於收益表內扣除之中華人民共和國(「中國」)省政府退休計劃之退休福利計劃供款乃指本集團按該計劃規則所規定之比率已付或應付之供款。

### 4. 營業額及分類資料

	2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
	21,700	22,578
	11,903	7,479
	2,077	2,396
	<b>35,680</b>	<b>32,453</b>

由於本集團之所有營業額均來自其於中國的製藥研發、註冊、申請以及測試，而其所有資產於此兩個年度亦位於中國，故並未呈列營業額及對經營溢利之貢獻之分類分析。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

5. PROFIT BEFORE TAXATION	5. 除稅前溢利	2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列各項：		
Staff costs (including directors' remuneration):	員工成本(包括董事酬金)：		
Staff costs	員工成本	6,687	4,857
Retirement benefits scheme contributions	退休福利計劃供款	524	478
		<b>7,211</b>	5,335
Less: amount capitalised in work-in-progress	減：在製品中已撥充資本之金額	<b>(3,922)</b>	(3,103)
Total staff costs	員工成本總額	<b>3,289</b>	2,232
Depreciation	折舊	<b>1,026</b>	765
Less: amount capitalised in work-in-progress	減：在製品中已撥充資本之金額	<b>(832)</b>	(451)
		<b>194</b>	314
Auditors' remuneration	核數師酬金	<b>425</b>	50
Research and development costs	研究及開發成本	<b>1,101</b>	213
Minimum lease payments paid under operating lease	按經營租約須支付之最低租金	<b>377</b>	307
Allowance for trade receivables	應收貿易賬款撥備	<b>3,190</b>	748
(Reversal of) allowance for work-in-progress	在製品撥備(撥回)	<b>(558)</b>	2,102
and after crediting:	及已計入：		
Interest income	利息收入	<b>789</b>	22

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 6. DIRECTORS' AND EMPLOYEES' REMUNERATIONS

Details of remunerations paid by the Group to the directors of the Company are as follows:

Non-executive directors fees	非執行董事袍金
Independent non-executive directors fees	獨立非執行董事袍金
Executive directors	執行董事
– Salaries and other benefits	– 薪金及其他福利
– Retirement benefits scheme contributions	– 退休福利計劃供款

### 6. 董事及僱員酬金

本集團支付予本公司董事之酬金詳情如下：

	2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
	–	–
	–	–
	1,027	264
	7	–
	<b>1,034</b>	264

The remunerations paid to the directors of the Company during the year were as follows:

Director A	甲董事
Director B	乙董事
Director C	丙董事
Director D	丁董事
Director E	戊董事
Director F	己董事
Director G	庚董事
Director H	辛董事
Director I	壬董事

年內支付予本公司董事之酬金如下：

	2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
	583	74
	282	121
	169	69
	–	–
	–	–
	–	–
	–	–
	–	–
	–	–
	<b>1,034</b>	264

**6. DIRECTORS' AND EMPLOYEES' REMUNERATIONS (continued)***Employees' remunerations*

Of the five individuals with the highest remunerations in the Group, three individuals (2002: one individual) were directors of the Company whose remunerations are included in the disclosure set out above. The remunerations of the remaining two individuals (2002: four individuals) were as follows:

Salaries and allowances	薪金及津貼
Retirement benefits scheme contributions	退休福利計劃供款

The remunerations of each of the five highest paid employees are less than HK\$1,000,000 (equivalent to approximately RMB1,060,000) for the year.

During the year, no remunerations were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remunerations during the year.

**7. TAXATION**

The charge represents:	稅項支出指：
PRC income tax	中國所得稅

**6. 董事及僱員酬金(續)***僱員酬金*

本集團之五位最高薪酬人士中，其中三位(二零零二年：一位)為本公司董事，其酬金已於上文披露。其餘兩位人士(二零零二年：四位)之酬金如下：

2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
433	619
7	—
<b>440</b>	<b>619</b>

五位最高薪酬僱員於本年度之酬金均不足1,000,000港元(相等於約人民幣1,060,000元)。

年內，本集團概無向本公司董事或五位最高薪酬人士支付任何酬金，作為加入或在加入本集團時之獎勵，或作為離職賠償，而董事亦概無於年內放棄任何酬金。

**7. 稅項**

2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
1,506	237

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 7. TAXATION (continued)

No Hong Kong Profits Tax has been provided for, as the Group had no taxable profits in Hong Kong for both years. The Company's subsidiaries are subject to PRC income tax on their assessable profits.

PRC income tax is computed according to the relevant laws and regulations in the PRC.

Beijing Dezhong-Venture Pharmaceutical Technology Development Co., Ltd. ("Dezhong VP") and Beijing Venture-Biopharm Services Co., Ltd. ("V Biopharm"), subsidiaries of the Company, qualify as foreign investment industrial and advance technology enterprises and are subject to PRC income tax at a rate of 15 per cent. on its income after offsetting prior year's losses. Furthermore, they are exempted from PRC income tax for three years starting from the first year of profitable operations after offsetting prior year's tax losses, followed by a 50 per cent. reduction for the following three years.

Dezhong VP became profitable after offsetting prior year tax losses from 1 January 1999 and as such, it was exempted from PRC income tax from 1 January 1999 to 31 December 2001. Dezhong VP is subject to PRC income tax at 7.5 per cent. from 1 January 2002 to 31 December 2004 and at 15 per cent. thereafter.

V Biopharm became profitable after offsetting prior year tax losses from 1 January 2000 and as such, it was exempted from PRC income tax from 1 January 2000 to 31 December 2002. V Biopharm is subject to PRC income tax at 7.5 per cent. from 1 January 2003 to 31 December 2005 and at 15 per cent. thereafter.

As approved by the relevant tax authorities, Dezhong VP and V Biopharm also benefit from the exemption of the business tax applicable to revenue derived from technology transferred and services provided. The tax authorities require both companies to pay business tax first but will refund to the companies upon approval.

### 7. 稅項(續)

由於本集團於兩個年度內並無在香港產生任何應課稅溢利，故並無就香港利得稅作出撥備。本公司之附屬公司須就其應課稅溢利繳納中國所得稅。

中國所得稅乃根據中國有關法律及規例計算。

本公司附屬公司北京德眾萬全藥物技術開發有限公司(「德眾萬全」)及北京萬全陽光醫藥科技有限公司(「萬全陽光」)符合外商投資工業企業及高科技企業之資格。因此，該兩間公司之收入於抵銷過往年度之虧損後，須繳納15%之中國所得稅。此外，該兩間公司自其抵銷過往年度之稅項虧損後錄得經營溢利之首個年度起獲豁免繳納三個年度之中國所得稅，並於其後三個年度獲減免50%稅率。

德眾萬全自一九九九年一月一日起抵銷過往年度之虧損後開始獲利，因此其獲豁免一九九九年一月一日至二零零一年十二月三十一日之中國所得稅。德眾萬全須於二零零二年一月一日至二零零四年十二月三十一日期間按7.5%之稅率繳納中國所得稅，並於其後按15%之稅率繳稅。

萬全陽光自二零零零年一月一日起抵銷過往年度之虧損後開始獲利，因此其獲豁免二零零零年一月一日至二零零二年十二月三十一日之中國所得稅。萬全陽光須於二零零三年一月一日至二零零五年十二月三十一日期間按7.5%之稅率繳納中國所得稅，並於其後按15%之稅率繳稅。

經有關稅務機關批准，德眾萬全及萬全陽光根據所轉讓技術及所提供之服務而獲取之收益亦獲豁免繳納適用之營業稅。稅務機構規定該兩間公司須首先支付營業稅，惟有關稅項經批准後將退還予該兩間公司。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 7. TAXATION (continued)

The income tax expense for the year ended 31 December 2003 can be reconciled to the net profit per the income statement as follows:

### 7. 稅項(續)

截至二零零三年十二月三十一日止年度之所得稅開支與收益表之純利對賬如下：

		2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	21,994	19,550
Tax at the PRC income tax rate of 15% (2002: 15%)	按中國所得稅稅率15% (二零零二年：15%)計算之稅項	3,299	2,933
Tax effect of expenses that are not deductible in determining taxable profit	釐定應課稅溢利時不予扣減開支之稅務影響	297	7
Tax effect of income that are not taxable in determining taxable profit	釐定應課稅溢利時非應課稅收入之稅務影響	(160)	(468)
Tax effect of unrecognised deferred tax asset	未確認遞延稅項資產之稅務影響	(168)	-
Effect of tax exemptions granted to PRC subsidiaries	授予中國附屬公司之稅項寬免之影響	(1,762)	(2,235)
Tax expense for the year	本年度稅項開支	1,506	237
Effective tax rate for the year	本年度實際稅率	6.8%	1.2%

At 31 December 2003, the Group had unrecognised deferred tax asset in respect of the aggregate deductible temporary differences associated with the receivables of RMB62,000 (2002: RMB230,000). No deferred tax asset has been recognised in respect of deductible temporary differences due to the unpredictability of future profit streams.

於二零零三年十二月三十一日，本集團有關應收賬款之可扣減臨時差額總額之未確認遞延稅項資產為人民幣62,000元(二零零二年：人民幣230,000元)。由於未來溢利來源不可預測，故並無就可扣減臨時差額確認遞延稅項資產。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit for the year of RMB20,360,000 (2002: RMB19,127,000) and the weighted average number of 313,151,000 (2002: 270,000,000) shares of the Company in issue during the year.

The calculation of the diluted earnings per share for the year is based on the net profit for the year of RMB20,360,000 and the weighted average of 314,758,000 shares (after adjusting for the effect of the outstanding dilutive options of 1,607,000 shares under the share option schemes of the Company).

The number of shares for the year ended 31 December 2002 of 270,000,000 is deemed to be issued throughout the year assuming the Group Reorganisation had been effective on 1 January 2002.

### 8. 每股盈利

每股基本盈利乃根據本年度純利約人民幣20,360,000元(二零零二年: 人民幣19,127,000元)及年內本公司已發行股份之加權平均數313,151,000股(二零零二年: 270,000,000股)計算。

本年度每股攤薄盈利乃根據本年度純利人民幣20,360,000元及根據本公司購股權計劃尚未行使的1,607,000股購股權之攤薄影響調整後之加權平均數314,758,000股計算。

假設集團重組自二零零二年一月一日起生效, 截至二零零二年十二月三十一日止年度的270,000,000股股份乃於本年度內被視為一直已發行。

### 9. PROPERTY, PLANT AND EQUIPMENT

### 9. 物業、廠房及設備

		Leasehold improvement 租賃裝修 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢俬、 裝置及 設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>THE GROUP COST</b>	<b>本集團成本</b>					
At 1 January 2003	於二零零三年一月一日	931	3,288	1,067	388	5,674
Additions	增添	-	1,158	302	304	1,764
At 31 December 2003	於二零零三年十二月三十一日	931	4,446	1,369	692	7,438
<b>DEPRECIATION</b>	<b>折舊</b>					
At 1 January 2003	於二零零三年一月一日	195	1,169	177	150	1,691
Provided for the year	本年度撥備	195	590	183	58	1,026
At 31 December 2003	於二零零三年十二月三十一日	390	1,759	360	208	2,717
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>					
At 31 December 2003	於二零零三年十二月三十一日	541	2,687	1,009	484	4,721
At 31 December 2002	於二零零二年十二月三十一日	736	2,119	890	238	3,983



# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 9. PROPERTY, PLANT AND EQUIPMENT (continued)

### 9. 物業、廠房及設備(續)

		<b>Furniture, fixtures and equipment</b> 傢俬、裝置 及設備 RMB'000 人民幣千元
<b>THE COMPANY COST</b>	<b>本公司 成本</b>	
Acquired during the period and balance at 31 December 2003	期內購入及於二零零三年 十二月三十一日之結餘	41
<b>DEPRECIATION</b>	<b>折舊</b>	
Provided for the period and balance at 31 December 2003	期內撥備及於二零零三年 十二月三十一日之結餘	10
<b>NET BOOK VALUE</b>	<b>賬面淨值</b>	
At 31 December 2003	於二零零三年十二月三十一日	31

### 10. INTERESTS IN SUBSIDIARIES

### 10. 於附屬公司之權益

		<b>2003 RMB'000 人民幣千元</b>
Unlisted shares, at cost	非上市股份，按成本	<b>30,374</b>
Amounts due from subsidiaries	應收附屬公司款項	<b>9,562</b>
		<b>39,936</b>

The cost of the unlisted shares is based on the book value of the underlying net assets of the subsidiaries attributable to the Group on the date of the Group Reorganisation.

非上市股份之成本乃按本集團於集團重組日期佔附屬公司相關資產淨值賬面值計算。

The amounts due from (to) subsidiaries are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors, the amounts will not be repayable within twelve months from the balance sheet date. Accordingly, the amounts are shown as non-current.

應收(應付)附屬公司款項為無抵押、免息及無固定償還條款。董事認為，有關款項無須於結算日起計之十二個月內償還，因此，有關欠款以非流動負債呈列。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 10. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the Company's subsidiaries as at 31 December 2003 are as follows:

### 10. 於附屬公司之權益(續)

本集團附屬公司於二零零三年十二月三十一日之詳情如下：

Company name 公司名稱	Legal status 法定地位	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Registered and fully paid capital 註冊及 繳足股本	Attributable equitable interest held 應佔持有之 股本權益		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Dezhong VP 德眾萬全	Joint venture 合營	Beijing, PRC 中國北京	RMB7,154,420 人民幣7,154,420元	-	94.512% (note(a)) (附註(a))	The research and development of new drug preparation, raw materials, supplementary materials (excipients and additives) and biodrugs; technological transfer and services 研究及開發新藥製劑、原材料、輔助原材料(賦形劑及添加劑)及生物藥品；技術轉讓及服務
V Biopharm 萬全陽光	Joint venture 合營	Beijing, PRC 中國北京	RMB1,655,747 人民幣1,655,747元	-	99.863% (note (b)) (附註(b))	The research, development and production of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究、開發及生產藥品、天然藥品及合成藥品；與生物藥品、天然藥品及合成藥品之研究及開發有關之技術轉讓及服務；藥品之藥效研究及臨床研究

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 10. INTERESTS IN SUBSIDIARIES (continued)

### 10. 於附屬公司之權益(續)

Company name 公司名稱	Legal status 法定地位	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Registered and fully paid capital 註冊及 繳足股本	Attributable equitable interest held 應佔持有之 股本權益		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Venturepharm Laboratories (BVI) Limited ("VP (BVI)")	Private company 私營公司	British Virgin Islands 英屬處女群島	US\$100 100美元	100%	-	Investment holding 投資控股
Venturepharm Life Sciences Capital Limited 萬全生命科技投資 有限公司	Private company 私營公司	Hong Kong, PRC 中國香港	HK\$10,000 10,000港元	-	100%	Inactive 並無開展業務
P.K. Pharmatech Private Limited	Private company 私營公司	Mumbai, India 印度孟買	INR 100,000 100,000印度盧比	-	50% (note (c)) (附註(c))	Inactive 並無開展業務

Notes:

- (a) Pursuant to an agreement entered into between the Group and the minority shareholder of Dezhong VP, the minority shareholder agrees to waive its 4.488% profit sharing in Dezhong VP for the three years ending 31 December 2005. Accordingly, the Group's profit sharing in Dezhong VP for the year was changed from 94.512% to 99%.
- (b) V Biopharm is 2.5% owned by Dezhong VP. Pursuant to the agreement mentioned in note (a), the Group's profit sharing in V Biopharm was also changed from 99.863% to 99.975% for the three years ending 31 December 2005.
- (c) The Group held major representation of the board of directors in this company.

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

附註：

- (a) 根據本集團與德眾萬全之少數股東訂立的協議，少數股東同意放棄其所佔德眾萬全截至二零零五年十二月三十一日止三個年度之4.488%溢利。因此，本集團於本年度佔德眾萬全之溢利由94.512%更改至99%。
- (b) 德眾萬全持有萬全陽光2.5%權益。根據附註(a)所述之協議，本集團截至二零零五年十二月三十一日止三個年度佔萬全陽光之溢利由99.863%更改至99.975%。
- (c) 本集團在該公司之董事會中擁有多數席位。

附屬公司概無於年終或本年度任何時間擁有任何尚未償還之債務證券。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 11. INVESTMENTS IN SECURITIES

Non-current  
Unlisted held-to-maturity  
debt securities

非流動  
非上市持有到期  
之債務證券

RMB'000  
人民幣千元

25,906

### 12. INVENTORIES

#### THE GROUP

Work-in-progress  
– contracted (note (a))  
Work-in-progress  
– not-contracted (note (b))  
Allowance for work-in-progress

本集團  
在製品  
– 已訂約(附註a)  
在製品  
– 未訂約(附註b)  
在製品撥備

2003  
RMB'000  
人民幣千元

2002  
RMB'000  
人民幣千元

7,184

4,195

14,459  
(2,323)

9,215  
(2,881)

19,320

10,529

Notes:

- (a) The balance represents the project costs incurred for the contracted research and development, pharmaceutical application, registration and testing services, but have not met the extent of the milestone payments earned in accordance with the applicable performance requirements and contractual terms.
- (b) The balance comprises of development costs incurred with the intention of outright sales as technology transfer but have not been contracted.
- (c) At 31 December 2003, the carrying amount of inventories that were carried at net realisable value amounted to RMB1,292,000 (2002: RMB1,406,000).

附註：

- (a) 該結餘指已訂約之研究及開發、製藥申請、註冊及測試服務產生之項目成本，惟由於尚未達到規定之進度及相關合同條款而未能收取相應進度款項。
- (b) 該結餘指擬作為技術轉讓項目出售之開發成本，但尚未訂立合約。
- (c) 於二零零三年十二月三十一日，以可變現淨值列賬之存貨賬面值為人民幣1,292,000元(二零零二年：人民幣1,406,000元)。

### 13. TRADE RECEIVABLES

The Group allows an average credit period of 90 days to its trade customers. The aged analysis of trade receivables of the Group at the balance sheet date is as follows:

Within 90 days  
91 – 180 days

90日內  
91日至180日

### 13. 應收貿易賬款

本集團提供予其貿易客戶之平均信貸期為90日，於結算日本集團應收貿易賬款之賬齡分析如下：

2003  
RMB'000  
人民幣千元

2002  
RMB'000  
人民幣千元

1,584

1,720

50

470

1,634

2,190

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 14. AMOUNTS DUE FROM RELATED COMPANIES

Details of amounts due from related companies are as follows:

Name of company	公司名稱
Sanmenxia Sinoway Pharmaceutical Co., Ltd. ("Sinoway Pharmaceutical")	三門峽賽諾維製藥有限公司 (「賽諾維製藥」)
Venturepharm Inc. ("VP Inc.")	Venturepharm Inc. (「VP Inc.」)

Both companies are the subsidiaries of the Company's shareholder.

The amounts are unsecured, interest-free and repayable on demand.

### 14. 應收關連公司款項

應收關連公司款項之詳情如下：

	THE GROUP	THE COMPANY
	本集團	本公司
2003	2002	2003
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
990	-	-
1,661	1,005	25
2,651	1,005	25

兩間公司均為本公司股東之附屬公司。

有關款項為無抵押、免息及按要求時償還。

### 15. SHARE CAPITAL

Ordinary shares of HK\$0.10 each Authorised:	每股面值0.10港元之普通股 法定股本：
At the date of incorporation (note (i))	於註冊成立日期(附註(i))
Increase during the period (note (iii))	期內增加(附註(iii))
At 31 December 2003	於二零零三年十二月三十一日
Issued and fully paid:	已發行及繳足
Issue of share to initial subscriber (note (ii))	向首次認購人士發行股份 (附註(ii))
Issue of shares on acquisition of a subsidiary (note (ii))	因收購附屬公司而發行 股份(附註(ii))
Issue of shares by capitalisation of the share premium account (note (iv))	因資本化股份溢價賬 目而發行股份 (附註(iv))
Issue of shares on placing (note (v))	因配售而發行股份(附註(v))
At 31 December 2003	於二零零三年十二月三十一日

### 15. 股本

	Number of ordinary shares	Amount	Shown in the financial statements
	普通股數目	金額	財務報表列示
		HK\$'000	RMB'000
		人民幣千元	人民幣千元
	500,000	50	53
	999,500,000	99,950	105,947
	1,000,000,000	100,000	106,000
	1	-	-
	22,294,733	2,229	2,363
	247,705,266	24,771	26,257
	90,000,000	9,000	9,540
	360,000,000	36,000	38,160

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 15. SHARE CAPITAL (continued)

Details of the changes in the Company's share capital for the period from 21 May 2002 (date of incorporation) to 31 December 2003 are as follows:

- (i) The Company was incorporated on 21 May 2002 with an authorised share capital of HK\$50,000 divided into 500,000 shares of HK\$0.10 each. One share was allotted and issued to the initial subscriber of the Company on the date of incorporation.
- (ii) On 31 March 2003, the Company issued 22,294,733 ordinary shares of HK\$0.10 each for the acquisition of VP (BVI) pursuant to a reorganisation agreement.
- (iii) Pursuant to a written resolution passed by the then shareholders of the Company on 31 March 2003, the authorised share capital of the Company was increased from HK\$50,000 to HK\$100,000,000 by the creation of additional 999,500,000 ordinary shares of HK\$0.10 each.
- (iv) Pursuant to a written resolution passed by the then shareholders of the Company on 23 May 2003, the Company allotted and issued a total of 247,705,266 ordinary shares of HK\$0.10 each to the then shareholders of VP (BVI) by way of capitalisation of the sum of HK\$24,771,000 standing to the credit of the share premium account and the capital reserve of the Company. These new shares ranked pari passu in all respects with the then existing shares.
- (v) On 10 July 2003, the Company placed 90,000,000 ordinary shares of HK\$0.10 each to professional, institutional and other investors at a price of HK\$0.41 per share. These new shares ranked pari passu in all respects with the then existing shares.

The amount of share capital at 31 December 2002 shown on the consolidated balance sheet represents the aggregate amount of share capital of the companies comprising the Group as at that date.

### 15. 股本(續)

於二零零二年五月二十一日(註冊成立日期)至二零零三年十二月三十一日止期間之本公司股本變動詳情如下:

- (i) 本公司於二零零二年五月二十一日註冊成立，其法定股本為50,000港元，分為500,000股每股面值0.10港元之股份。於註冊成立日期，本公司配發及發行1股股份予本公司首次認購人士。
- (ii) 於二零零三年三月三十一日，本公司根據重組協議就收購VP (BVI)發行22,294,733股每股面值0.10港元之普通股。
- (iii) 根據本公司當時股東通過於二零零三年三月三十一日之書面決議案，本公司之法定股本藉額外發行999,500,000股每股面值0.10港元之普通股後，由50,000港元增加至100,000,000港元。
- (iv) 根據本公司當時股東於二零零三年五月二十三日通過之書面決議案，本公司將股份溢價賬中24,771,000港元之進賬款額及本公司之資本儲備撥作資本，以配發及發行合共247,705,266股每股面值0.10港元之普通股予VP (BVI)之當時股東。該等新股份與當時現有股份在各方面均享有同等地位。
- (v) 於二零零三年七月十日，本公司以每股0.41港元配售90,000,000股每股面值0.10港元之普通股予專業、機構及其他投資者。該等新股份與當時現有之股份在各方面均享有同等地位。

載於二零零二年十二月三十一日綜合資產負債表之股本數目，指組成本集團之公司於該日之股本總數。

### 16. SHARE OPTION SCHEMES

As at 31 December 2003, the Company operates two share option schemes. A share option scheme was adopted and approved by the sole shareholder of the Company on 31 March 2003, pursuant to which the Company granted certain share options to employees, directors and other participants prior to the listing of the Company on the GEM of the Stock Exchange (the "Pre-IPO Share Option Scheme"). Another share option scheme was also adopted and approved by the shareholders of the Company on 23 May 2003 (the "Share Option Scheme").

Both schemes were adopted for a period of ten years commencing from 23 May 2003 pursuant to a written resolution of the shareholders passed on 23 May 2003 for the primary purpose of providing incentives or rewards to directors, eligible employees and other participants. Under both schemes, the Company may grant options to eligible employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. In addition, under the Share Option Scheme, the Company may, from time to time, grant share options to any contractor, supplier, customer, agent or advisor, of the Group at the discretion of the Board of Directors.

The number of shares which may be issued under the Share Option Scheme is subject to the following limits:

- (i) the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of issued shares of the Company from time to time.
- (ii) the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes is not permitted to exceed 36,000,000 shares, representing 10% of the issued share capital of the Company at the Listing Date.

### 16. 購股權計劃

於二零零三年十二月三十一日，本公司實行兩項購股權計劃。本公司唯一股東於二零零三年三月三十一日採納及批准一項購股權計劃，據此，本公司在本公司於聯交所創業板上市前向僱員、董事及其他參與者授出若干購股權（「首次公開售股前購股權計劃」）。本公司股東於二零零三年五月二十三日採納及批准另一項購股權計劃（「購股權計劃」）。

根據股東於二零零三年五月二十三日通過之書面決議案，兩項計劃之採納年期均為自二零零三年五月二十三日起計十年，其主要目的為向董事、合資格僱員及其他參與者提供獎勵或回報。根據該兩項計劃，本公司可向本公司及其附屬公司合資格僱員及董事授出購股權，以認購本公司股份。此外，本公司可根據購股權計劃按董事會酌情不時向本集團任何承建商、供應商、客戶、經紀或顧問授出購股權。

根據購股權計劃發行之股份數目受下列各項所規限：

- (i) 因行使根據購股權計劃及本公司任何其他購股權計劃所授出而尚未行使其所有購股權而可能發行之最高股份數目，不得超過本公司不時已發行股份總數之30%。
- (ii) 因行使根據購股權計劃及其他購股權計劃所授出之全部購股權而可能發行之股份總數不得超過36,000,000股股份，即佔本公司於上市日期之已發行股本之10%。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 16. SHARE OPTION SCHEMES (continued)

The terms of the Pre-IPO Share Option Scheme are substantially the same as those of the Share Option Scheme, except that the maximum number of shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is limited to 11,520,000 shares.

A nominal consideration of HK\$10 is payable upon acceptance of the grant of the options. The exercise price is determined by the directors of the Company and will be the highest of (a) the closing price of the ordinary shares of the Company on the date of offer; (b) the average of the closing prices of the ordinary shares of the Company for the five business days immediately preceding the date of offer; and (c) the nominal value of the ordinary shares of the Company.

Any options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme must be exercised during such option period as may be determined and notified by the directors of the Company, which shall not exceed 10 years from the date of grant of the options.

Details of the Company's share option granted under the Pre-IPO Share Option Scheme are as follows:

	Exercise price 行使價	Exercisable period 行使期	Granted on 20.6.2003 於二零零三年 六月二十日授出	Exercised during the year 於年內行使	Outstanding at 31.12.2003 於二零零三年 十二月三十一日 尚未行使
Directors 董事	HK\$0.32 0.32港元	20.6.2003 – 19.6.2013 二零零三年六月二十日至 二零一三年六月十九日	9,000,000	–	9,000,000
Other participant 其他參與者	HK\$0.32 0.32港元	20.6.2003 – 19.6.2013 二零零三年六月二十日至 二零一三年六月十九日	720,000	–	720,000
Other participant 其他參與者	HK\$0.40 0.40港元	20.6.2003 – 19.6.2013 二零零三年六月二十日至 二零一三年六月十九日	1,800,000	–	1,800,000
			11,520,000	–	11,520,000

No options have been granted under the Share Option Scheme since its adoption.

### 16. 購股權計劃(續)

除根據首次公開售股前購股權計劃授出之購股權所涉及之股份數目上限為11,520,000股股份外，首次公開售股前購股權計劃之條款大致與購股權計劃相同。

象徵代價10港元須於接納購股權時支付。行使價乃由本公司董事釐定及為下列三者之最高者：(a)本公司之普通股於授出購股權日期之收市價；(b)於緊接授出購股權日期前五個營業日本公司普通股之平均收市價；及(c)本公司普通股之面值。

根據首次公開售股前購股權計劃及購股權計劃授出之任何購股權須於本公司董事可能釐定並知會之購股權期間內行使，惟不得超過自授出購股權之日起計十年。

根據首次公開售股前購股權計劃授出之本公司購股權詳情如下：

自採納購股權計劃後，本公司並無根據購股權計劃授出任何購股權。



# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 17. RESERVES

### 17. 儲備

#### THE COMPANY

Capital contributed by shareholders	股東之資本出資	-	6,622	-	-	6,622
Contributed surplus arising on Group Reorganisation	集團重組所產生之實繳盈餘	-	-	28,011	-	28,011
Issue of shares on placing	因配售而發行股份	29,574	-	-	-	29,574
Capitalisation issue during the period	期內資本化發行	(20,529)	(5,728)	-	-	(26,257)
Expenses incurred in connection with the issue of shares	有關發行股份引致之開支	(9,045)	-	-	-	(9,045)
Net profit for the period	期內純利	-	-	-	1,957	1,957

At 31 December 2003

於二零零三年  
十二月三十一日

Share premium	Capital reserve	Contributed surplus	Accumulated profit	Total
股份溢價	資本儲備	實繳盈餘	累計溢利	合計
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
-	6,622	-	-	6,622
-	-	28,011	-	28,011
29,574	-	-	-	29,574
(20,529)	(5,728)	-	-	(26,257)
(9,045)	-	-	-	(9,045)
-	-	-	1,957	1,957
-	894	28,011	1,957	30,862

#### Statutory reserve

As stipulated by the relevant PRC laws and regulations, the subsidiaries of the Company established in the PRC shall set aside 10% of its net profit after taxation for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the subsidiaries' paid-up capital). The reserve fund can only be used, upon approval by the board of directors and by the relevant authority, to offset accumulated losses or increase capital.

#### Statutory enterprise expansion fund

As stipulated by the relevant PRC laws and regulations, the subsidiaries of the Company established in the PRC shall appropriate 5% to 10% of its net profit after taxation as the statutory enterprise expansion fund. The directors shall have discretion in determining the percentage within the range specified by the relevant PRC laws and regulations.

#### 法定儲備

根據有關中國法例及法規之規定，本公司於中國成立之附屬公司須將其除稅後純利之10%撥入法定盈餘儲備基金(儲備結餘達附屬公司實繳股本之50%除外)。儲備基金僅可用以抵銷累計虧損或增加資本，惟須獲董事及相關機構批准。

#### 法定企業發展基金

根據有關中國法例及法規之規定，本公司於中國成立之附屬公司須將其除稅後純利之5%至10%撥入法定企業發展基金。董事可根據有關中國法例及法規所規定之範圍而酌情釐定百分比。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 17. RESERVES (continued)

#### *Special reserve*

The special reserve represents the differences between the nominal value of the shares of VP (BVI), the company which was the holding company of other members of the Group prior to the Group Reorganisation, and the nominal value of the Company's shares issued thereof pursuant to the Group Reorganisation.

#### *Capital reserve*

The capital reserve represents the additional contributions made by the shareholders of the Company prior to the listing of the Company's shares on the Stock Exchange.

#### *Contributed surplus*

The contributed surplus represents the difference between the net assets of the subsidiaries and the nominal amount of the Company's shares issued in exchange thereof pursuant to the Group Reorganisation.

The Company's reserves available for distribution to its shareholders comprise share premium, contributed surplus and accumulated profit which in aggregate amounted to RMB30,862,000. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium account, of the Company and, under the Companies Law (2002 Revision) of the Cayman Islands, the Company must be able to pay its debts as they fall due in the ordinary course of business immediately following the distribution or dividend.

### 17. 儲備(續)

#### *特別儲備*

特別儲備是指VP (BVI) (集團重組前本集團其他成員公司之控股公司) 股份面值及本公司根據集團重組而發行之股份面值兩者間之差額。

#### *資本儲備*

資本儲備是指本公司股東於本公司股份在聯交所上市前所作之額外注資。

#### *實繳盈餘*

實繳盈餘是指附屬公司之資產淨值及本公司根據集團重組發行以作交換之股份面值兩者間之差額。

本公司可供分派予股東之儲備包括股份溢價、實繳盈餘及累計溢利，合共人民幣30,862,000元。根據本公司組織章程，應付之股息須自本公司溢利或其他儲備中撥出(包括股份溢價賬)。此外，根據開曼群島之公司法(二零零二年修訂)，本公司須在緊接派發股息之後，能夠支付正常業務過程中到期之借貸。

**18. NON-CASH TRANSACTIONS**

During the year, the major non-cash transactions were as follows:

- (i) On 31 March 2003, the Company issued a total of 22,294,733 ordinary shares of HK\$0.10 each for the acquisition of VP (BVI) pursuant to the Group Reorganisation.
- (ii) Pursuant to a written resolution passed by the shareholders of the Company on 23 May 2003, the Company allotted and issued a total of 247,705,266 ordinary shares of HK\$0.10 each to the then shareholders of VP (BVI) by way of capitalisation of the sum of HK\$24,771,000 (equivalent to RMB26,257,000) standing to the credit of the share premium account and the capital reserve of the Company.

**19. OPERATING LEASE COMMITMENTS**

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

Within one year	一年內
More than one year but within five years	一年以上但五年內
Over five years	超過五年

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for an average term of four years and rentals are fixed for the lease term.

**18. 非現金交易**

年內之主要非現金交易如下：

- (i) 於二零零三年三月三十一日，本公司根據集團重組收購VP (BVI)合共發行22,294,733股每股面值0.10港元之普通股。
- (ii) 根據本公司股東於二零零三年五月二十三日通過之書面決議案，本公司將股份溢價賬中24,771,000港元（相等於人民幣26,257,000元）之進賬款額及本公司之資本儲備撥作資本，以配發及發行合共247,705,266股每股面值0.10港元之普通股予VP (BVI)之當時股東。

**19. 經營租約承擔**

於結算日，本集團根據不可撤銷經營租約於屆滿時就有關土地及樓宇之未來最低租金承擔如下：

2003 RMB'000 人民幣千元	2002 RMB'000 人民幣千元
1,672	857
7,203	7,086
5,684	7,490
<b>14,559</b>	15,433

經營租約款項是指本集團租賃辦公室物業之應付租金。租約平均年期商定為四年，而租約期內之租金乃固定。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
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### 20. COMMITMENTS

At 31 December 2003, the Group had commitments of approximately RMB1,250,000 (2002: nil) for the capital contribution to establish a subsidiary but not provided in the financial statements.

### 21. RETIREMENT BENEFITS SCHEME

The Group contributed to a local municipal government retirement scheme for all qualified employees in the PRC. The employer and its employees are each required to make contributions to the scheme at the rates specified in the rules. The only obligation of the Group with respect to the retirement scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The total cost charged to income statement of approximately RMB524,000 (2002: RMB478,000) represents contributions payable to the scheme by the Group during the year.

### 20. 承擔

於二零零三年十二月三十一日，本集團用以成立附屬公司但未於財務報表中撥備之注資承擔約人民幣1,250,000元(二零零二年：零)。

### 21. 退休福利計劃

本集團為所有中國合資格僱員向當地市政府退休計劃供款。僱主及僱員均須按法例之特定比率向計劃作出供款。本集團就退休計劃之唯一責任為根據計劃作出規定供款。被沒收之供款概無可用作扣減未來年度之應付供款。

在收益表支銷之總成本約人民幣524,000元(二零零二年：人民幣478,000元)，指本集團年內就計劃應付之供款。

## 22. CONNECTED TRANSACTIONS

During the year, the Company had the following significant transactions with certain related parties which also deemed to be connected persons as defined by the Rules Governing the Listing of Securities on the GEM:

**Name of  
connected person**  
關連人士

**Nature**  
性質

Sinoway Pharmaceutical  
賽諾維製藥

Revenue – New drug formulation data transfer  
收益—轉讓新藥製劑資料

VP Inc.

Revenue – Contracted research and development,  
pharmaceutical application, registration and  
testing services  
收益—已訂約研究及開發、製藥申請、註冊及測試服務

**2003**  
**RMB'000**  
人民幣千元

2002  
RMB'000  
人民幣千元

–

178

**1,655**

2,003

The above transactions were carried out in accordance with the terms agreed by both parties.

Balances with these related parties as at 31 December 2003 are set out in note 14.

In addition, the minority shareholder of Dezhong VP has been entered into an agreement with the Group in December 2003 and agreed to waive its 4.488% profit sharing in Dezhong VP for the three years ending 31 December 2005.

## 22. 關連交易

本公司於年內與若干連繫人士(同時根據創業板證券上市規則之定義被視作關連人士)之重大交易如下:

上述交易乃按雙方協定之條款進行。

於二零零三年十二月三十一日本公司與該等連繫人士之結餘載於附註14。

此外，德眾萬全之少數股東與本集團於二零零三年十二月訂立協議，同意放棄其所分佔德眾萬全截至二零零五年十二月三十一日止三個年度之4.488%溢利。

# Notes to the Financial Statements (continued)

## 財務報表附註(續)

For the year ended 31 December 2003  
截至二零零三年十二月三十一日止年度

### 23. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Group has the following events:

1. Pursuant to an agreement entered into by the Group and a third party in October 2003, a 51% owned subsidiary was established in the PRC with a registered capital of US\$600,000 in January 2004. The subsidiary is engaged in the manufacturing and trading of drug products.
2. In January 2004, the Group entered into an agreement to establish a jointly controlled entity in the PRC with a registered capital of US\$600,000. The jointly controlled entity will engage in the manufacturing and trading of drug products.

### 23. 結算日後之事項

本集團於結算日後發生下列事項：

1. 根據本集團與第三方於二零零三年十月訂立之協議，於二零零四年一月在中國成立一間本集團擁有51%權益之附屬公司，其註冊資本為600,000美元。該附屬公司乃從事藥品製造及買賣。
2. 於二零零四年一月，本集團訂立協議以在中國成立一間共同控制實體，其註冊資本為600,000美元。該共同控制實體乃從事藥品製造及買賣。

