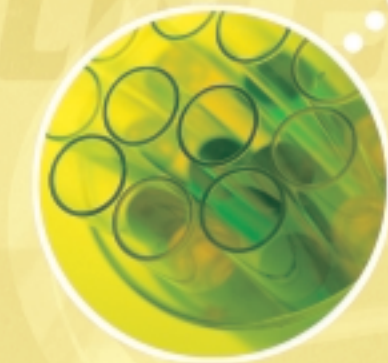




**Venturepharm Laboratories Limited**  
**萬全科技藥業有限公司**

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)



Annual Report  
年報 **2004**

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

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*This report, for which the directors of VENTUREPHARM LABORATORIES LIMITED collectively and individually accept full responsibility, includes particulars given in compliance with Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to VENTUREPHARM LABORATORIES LIMITED. The directors of VENTUREPHARM LABORATORIES LIMITED, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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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。

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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作出，並以公平合理之基準和假設為依據。



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## CORPORATE INFORMATION

### 公司資料

#### EXECUTIVE DIRECTORS

Mr. William Xia GUO  
Dr. Maria Xue Mei SONG  
Dr. David Xuesong GAO

#### NON-EXECUTIVE DIRECTORS

Dr. FENG Tao  
Mr. WU Xin  
Dr. Nathan Xin ZHANG

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WU Ming Yu  
Mr. Paul CONTOMICHALOS  
Mr. WANG Hong Bo

#### REGISTERED OFFICE

Scotia Centre  
4th Floor, P.O. Box 2804  
George Town, Grand Cayman  
Cayman Islands

#### HEAD OFFICE

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Si Ji Qing, Haidian District  
Beijing, PC 100089

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 707, Empress Plaza  
17-19 Chatham Road South  
Tsimshatsui, Kowloon  
Hong Kong

#### COMPANY WEBSITE

<http://www.venturepharm.com>

#### COMPANY SECRETARY

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

#### AUTHORISED REPRESENTATIVES

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

#### 執行董事

郭夏先生  
宋雪梅博士  
高雪松博士

#### 非執行董事

馮濤博士  
吳欣先生  
張欣博士

#### 獨立非執行董事

吳明瑜先生  
Paul CONTOMICHALOS先生  
王紅波先生

#### 註冊辦事處

Scotia Centre  
4th Floor, P.O. Box 2804  
George Town, Grand Cayman  
Cayman Islands

#### 總辦事處

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海淀區四季青  
金莊3號  
郵編：100089

#### 香港主要營業地點

香港  
九龍尖沙咀  
漆咸道南17-19號  
帝后廣場707室

#### 公司網址

<http://www.venturepharm.com>

#### 公司秘書

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

#### 法定代表

郭夏先生  
唐耀維先生 FCCA, CPA, MBA, HKSI



## CORPORATE INFORMATION

### 公司資料

#### COMPLIANCE OFFICER

Mr. William Xia GUO

#### QUALIFIED ACCOUNTANTS

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

#### AUDIT COMMITTEE MEMBERS

Mr. WU Ming Yu  
Mr. Paul CONTOMICHALOS  
Mr. WANG Hong Bo

#### PRINCIPAL BANKERS

Royal Bank of Canada (Asia) Limited  
Agricultural Bank of China, Beijing Branch  
Shenzhen Development Bank, Beijing Branch

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Standard Registrars Limited  
28th Floor, Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai, Hong Kong

#### LEGAL ADVISOR

Beijing Dayang Law Firm

#### SPONSOR

China Everbright Capital Limited

#### AUDITORS

Deloitte Touche Tohmatsu

#### GEM STOCK CODE

8225

#### 監察主任

郭夏先生

#### 合資格會計師

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

#### 審核委員會成員

吳明瑜先生  
Paul CONTOMICHALOS 先生  
王紅波先生

#### 主要往來銀行

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深圳發展銀行·北京分行

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Cayman Islands

#### 香港股份過戶登記分處

標準證券登記有限公司  
香港灣仔  
告士打道56號  
東亞銀行港灣中心28樓

#### 法律顧問

北京大洋律師事務所

#### 保薦人

中國光大融資有限公司

#### 核數師

德勤·關黃陳方會計師行

#### 創業板股份代號

8225



## CHAIRMAN'S STATEMENT

### 主席報告

#### FINANCIAL HIGHLIGHTS

2004 is a critical year of transformation for the Group (Venturepharm Laboratories Ltd. (the "Company") and its subsidiaries). For the year ended 31 December 2004, the Group recorded a turnover of approximately RMB36,157,000 (2003: RMB35,680,000). Profit attributable to shareholders was RMB10,683,000 (2003: RMB20,360,000). Basic earnings per share were RMB0.0297 (2003: RMB0.065). The Board does not recommend payment of a final dividend for the year ended 31 December 2004 (2003: HK0.5 cent per share).

#### BUSINESS REVIEW

In late 2003, the Company began its journey toward becoming an international leading full service company by extending from a leading provider of new technology licensing to integrated drug development, manufacturing and products commercialization services for pharmaceutical industry.

In 2004, while building new profit platforms for maximizing profitability from existing products and strengthen the Group's competitive position, we slow down our core business of technology transferring which has higher profit margin but limited revenue and profit scalability.

When we launched our action plan of the transformation last year, we have been going through the proverbial period of short term pain for long term gain. Achievements and challenges of the past year have proven us right on both counts.

#### 財務摘要

二零零四年是本集團(萬全科技藥業有限公司(「本公司」)及其附屬公司)業務轉型的關鍵年度。截至二零零四年十二月三十一日止年度,本集團錄得營業額約人民幣36,157,000元(二零零三年:人民幣35,680,000元)。股東應佔溢利為人民幣10,683,000元(二零零三年:人民幣20,360,000元)。每股基本盈利為人民幣0.0297元(二零零三年:人民幣0.065元)。董事會不建議就截至二零零四年十二月三十一日止年度派發末期股息(二零零三年:每股0.5港仙)。

#### 業務回顧

於二零零三年年底,本公司透過把服務範圍由提供新技術特許權擴展至整合藥物開發、製藥及產品商業化服務,向成為國際主要的全面藥業服務公司的目標邁進。

於二零零四年,在建立新盈利平台以爭取最大利潤及提升本集團競爭力的同時,本集團亦放緩發展具較高毛利但對收入及溢利增長有所限制的核心業務技術轉讓。

於去年進行業務轉型時,本集團經歷了短暫的艱難時期,藉以取得長遠的回報,而本集團去年取得的各項成就及所遇到的挑戰則證明我們的決定正確。





## CHAIRMAN'S STATEMENT

### 主席報告

#### MARKET OPPORTUNITY

Pharmaceutical companies are much relying on outsourcing to help them meet growing demand and bring new drugs to market more economically and quickly. The world turns focus for this regard to China and other Asian countries to capture the opportunities for outsourcing of integrated pharmaceutical development in China.

#### GROWTH STRATEGY

We have adopted multi-growth engines strategy for high speed and long-term growth of company. This strategy is employed of multi-revenue models for confronting the reality to diversify the risk and maximizing the profits from all business cycles. We structured the company into five business units, VP-Technology Transfer, VP-PDS (Pharmaceutical Development Service), VP-CRS (Clinical Research Service), VP-API (Active Pharmaceutical Ingredient) and VP-Mart (Venturepharm-Mart) and they span from molecule sources stage of pharmaceutical value chain to commercialization of products to form a full service company. With core competency of R&D capability at sources of value chain, each unit can create and develop business for each other to form efficiency and cost structure.

#### 市場商機

製藥公司相當依賴外判協助應付日益增長的需求及以更經濟、迅速的方式將新藥物引入市場。在此方面，業界均聚焦於中國及其他亞洲市場，以把握機會於中國發展整合製藥外判業務。

#### 業務增長策略

本集團為取得高效率及長遠的增長而採納多元增長策略，有關策略是為應變而運用多元收入模型，以分散風險及於所有商業循環周期中爭取最大利潤。本集團分為五個業務單位：VP-技術轉讓、VP-PDS（藥物開發服務）、VP-CRS（臨床研究服務）、VP-API（有效藥劑成分）及VP-Mart（萬全市場），各單位由藥物價值鏈的分子來源階段橫跨至產品商業化，結合組成全面的服務公司。憑藉本集團價值鏈來源研發能力的核心優勢，各單位間可互相創造及發展業務，以達致高效率及取得成本效益。



# CHAIRMAN'S STATEMENT

## 主席報告

### KEY 2004 ACCOMPLISHMENTS:

Last year we launched an action plan focused on two key priorities: expanding R&D efforts and building VP-Mart and CRS business unit for growth by transformation of business to confronting reality.

#### 1. Maintaining a leading position on pharmaceutical R&D sector in China

In 2004, we opened our brand new 300,000 square meters R&D facility in Haikou city of Hainan Province. One of the most beautiful cities in Asia, this state-of-the-art R&D center will focus primarily on innovative or Me-better product developments. To fulfill this goal, we have established a much tied relationship with Hainan Medical University to have the professors from school of pharmacy to work in our new R&D center. Meanwhile, with the Country strengthening the application management, the Group continued to expand R&D and application efforts. For the year ended 31 December 2004, the Group has obtained 72 clinical permits and 23 manufacturing permits. With accumulative total of 178 and 44 clinical permits and manufacturing permits were obtained respectively. Taking the Group to the pioneer position in the industry.

### 二零零四年之主要成就：

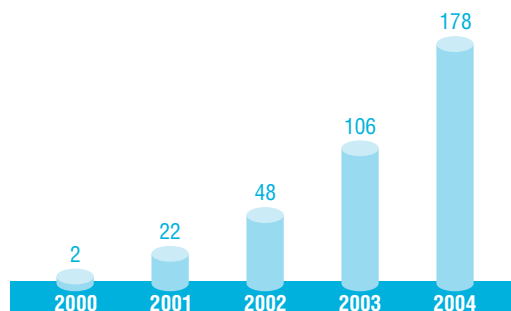
本集團於去年推出計劃，集中兩大重點：拓展研發實力以及建立萬全市場及臨床研究服務業務單位，面對轉變進行業務轉型以取得增長。

#### 1. 維持其於中國藥物研發方面的領導位置

本集團於二零零四年在海南省海口市（全亞洲最美城市之一）開設佔地300,000平方米的全新研發設施。該設備先進的研發中心將首要專注創新或Me-better產品開發。為達致此目標，本集團與海南醫藥大學建立更緊密關係，邀請藥物系教授於新研發中心工作。同時，在國家加大申報管理力度的情況下，本集團繼續加大研發和申報力量。截至二零零四年十二月三十一日全年，本集團已獲臨床批文72個，生產批文23個。本集團累計獲得臨床批文178個，生產批文44個，處於行業領先水平。

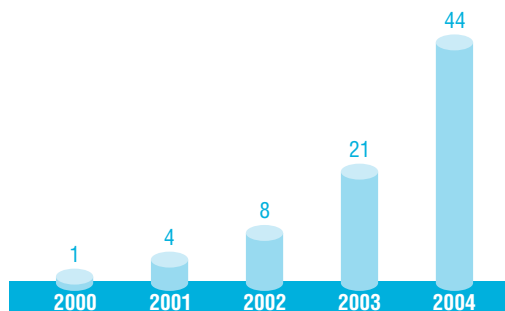
### Our product pipeline maintains growing:

Clinical Permit (Unit) 臨床批文 (個)



### 本集團產品生產線維持增長：

Manufacturing Permit (Unit) 生產批文 (個)







## CHAIRMAN'S STATEMENT

### 主席報告

#### 2. As a result of our expanding R&D efforts, we gained approval for products of our own brand

Supplementing the internal development through partnerships and alliances, in 2004, we continued to enhance our ties in both United Kingdom and North America through key alliances. We have dramatically increased our development efforts and currently have more than 300 products in development with estimated target of over RMB15 billions market in China. Our full time scientific staff have grown over 200 and have built over 13 technology platforms with over 40 patents have been submitted.

#### 3. Strengthening the services units

For maximum utilization of our R&D capability and meeting the strong market trend of R&D outsourcing from big pharmaceutical houses, the company builds up international service related marketing development units for promoting the PDS and CRS units, such as technology licensing, clinical research, product development, in-licensing and out-licensing of products, co-development and co-marketing. Integrated services enable Venturepharm to bring our clients' drug candidates from pre-clinical stage through to clinical trials and, ultimately, commercialization.

We are now serving over 35 clients, including 8 from international pharmaceutical companies. In 2004, PDS and CRS achieved a turnover of RMB15,822,000 (2003: RMB11,903,000) and RMB5,346,000 (2003: RMB2,077,000), respectively. Under the transformation strategy, by slowing down the activity of technology transfer, promoting PDS, CRS and commercialisation of own products, the business of the Company will continue to maintain a sustainable growth.

The turnover analysis of Venturepharm for the year 2004 has clearly demonstrated the successful transition of Venturepharm from a company, which has been engaging R&D and technology transfer only, into a fully integrated pharmaceutical services company, which dedicated to R&D, services, manufacturing and sales altogether.

#### 2. 透過拓展研發實力，取得本集團品牌產品批文

本集團利用夥伴關係及聯盟增補內部發展，於二零零四年繼續透過主要聯盟加強與英國及北美的關係。本集團大幅提升我們的開發實力，現時開發中的產品數目超過300種，估計於中國的目標市場超過人民幣15,000,000,000元。本集團擁有超過200名全職技術人員及超過13個技術平台，及提交超過40份專利申請。

#### 3. 鞏固服務單位

為全面運用本集團的研發能力及應付大型製藥所研發外判的強勁市場趨勢，本公司成立國際服務相關市場開發單位，以推廣藥物開發服務及臨床研究服務，包括技術特許權、臨床研究、產品開發、引入及授出產品特許權、共同開發及聯合市場推廣。透過整合服務，萬全於臨床前階段至臨床測試期間以及最終的商業化階段均可為客戶提供新藥。

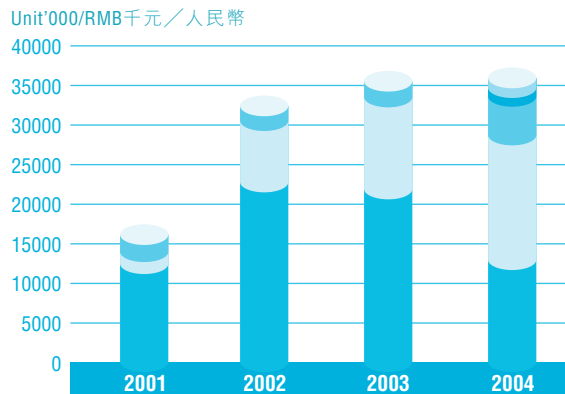
本集團現時擁有超過35名客戶，包括來自國際製藥公司的8名客戶。於二零零四年，藥物開發服務及臨床研究服務的營業額分別為人民幣15,822,000元（二零零三年：人民幣11,903,000元）及人民幣5,346,000元（二零零三年：人民幣2,077,000元）。由於本公司主動採取了限制技術轉讓的數量，大力推廣PDS、CRS服務和自留產品的商化業務，本公司的業務將會保持持續的發展。

萬全2004年營業額的分析情況充分說明瞭萬全已成功地從單一的研發技術轉讓公司轉型成為集研發、服務、生產和銷售於一體的全方位服務公司。



# CHAIRMAN'S STATEMENT

## 主席報告

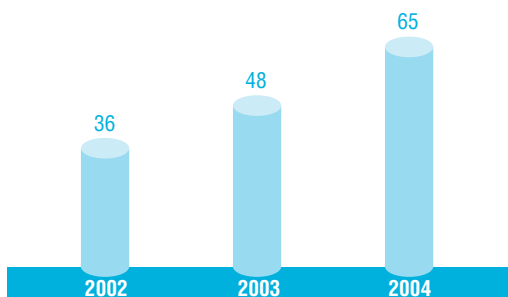


■ Technology Transfer 技術轉讓 ■ PDS 藥物開發服務 ■ CRS 臨床研究服務 ■ Sales 銷售 ■ Others 其他

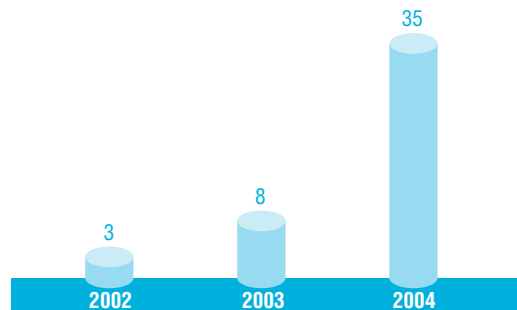
The growth of PDS and CRS business has maintained the growth of the Venturepharm's income:

PDS和CRS業務的增長維持了萬全收入的增長：

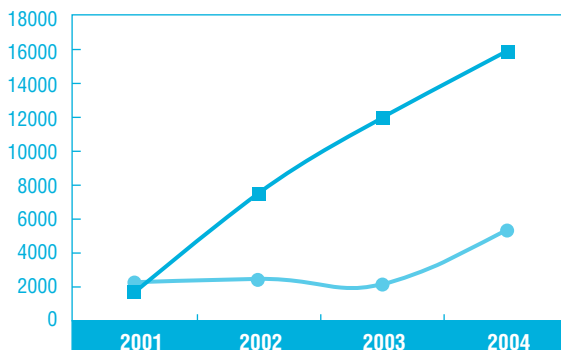
**PDS clients (Unit) 藥物開發服務客戶數 (個)**



**CRS clients (Unit) 臨床研究服務客戶數 (個)**



Units'000/RMB千元/人民幣



■ PDS income 藥物開發服務收入 ● CRS income 臨床研究服務收入



## CHAIRMAN'S STATEMENT

### 主席報告

#### 4. Building up the commercialization networks

VP-Mart, the commercialization unit of our company, is the commercial solutions provider that offers sales and marketing services designed to accelerate the success of pharmaceutical products. VP-Mart is engaged an earlier main role as developing synergistic marketing partnership in China and different areas around the world. Two of such relationships are with VDM Health Care Inc and Profex Inc, a leading franchise marketing company in China and leading dermatology products promoting company in China, respectively. They are serving to promote the products from both Venturepharm and their clients.

#### DRIVING FORWARD

Many challenges lie ahead, our entire management team is confident of where we stand today, as we benefit from a right mix business that can capitalize on a variety of opportunities and business cycles. Our VP-Mart unit and CRS unit will lead the way to drive our business to a new level for maximizing our investors return.

#### APPRECIATION

I wish to acknowledge our many partners who provide us with ongoing encouragement of our business strategy. Without the contribution of our employees, the trust of our clients and the support of our shareholders, we could not have progressed this far. With the vision and mission in mind, we are in attempt to build up a world class Chinese's integrated pharmaceutical company.

**William Xia GUO**

*Chairman*

Beijing, the PRC  
22 March 2005

#### 4. 建立商業化網絡

本公司的商業化單位萬全市場為商業方案供應商，提供協助藥品成功的銷售及市場推廣服務。萬全市場過往主要參與發展中國與全球不同地區間的協同市場夥伴關係，當中涉及中國主要特許市場推廣公司VDM Health Care Inc及中國主要皮膚產品推廣公司Profex Inc。上述兩間公司負責為萬全及其客戶推廣產品。

#### 前景

儘管未來挑戰重重，惟本集團合適的業務組合使本集團可把握不同商機及商業周期，因此全體管理人員對本集團目前的市場地位仍然充滿信心。萬全市場單位及臨床研究服務單位將有助推動本集團業務以及提高投資者的回報。

#### 感謝

本人謹此感謝各位業務夥伴一直支持本集團的業務策略，此外亦十分感謝員工、客戶及股東對我們的貢獻、信任及支持。本集團的長遠目標及使命乃致力成為世界級中國整合製藥公司。

*主席*

**郭夏**

中國北京  
二零零五年三月二十二日



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### 1. OPERATING RESULTS

##### Financial Review

For the year ended 31 December 2004, the Group achieved a turnover of approximately RMB36,157,000 which includes income of approximately RMB28,536,000 deriving from technology transfer and contracted pharmaceutical development services and approximately RMB5,346,000 deriving from clinical research services and other sales activities. Compared with last year's total turnover, it represents a slight increase of approximately 1.3%.

The Group's overall gross profit margin was 51.9% for the year under review compared with that of 79.8% for the last year. The decrease in gross profit margin was mainly attributable to increasing competition in technology transfer market.

General and administrative expenses increased by 24% to approximately RMB11,867,000. The increase was attributable mainly to increase in staff cost of approximately RMB600,000 and post-listing expenses including sponsor's fee, auditor's remuneration, etc. of approximately RMB1,500,000.

For the period ended 31 December 2004, the Group recorded a profit attributable to shareholders of approximately RMB10,683,000, representing a decrease of 47% as compared to that of approximately RMB20,360,000 for last year.

##### Liquidity, Financial Resources and Gearing

The Group has maintained sound financial position in this year. During the year, the Group financed its operations mainly with its operating revenue, internal resources and net proceeds from placement on 2003. As at 31 December 2004, the Group's current assets amounted to about RMB 74,671,000 of which approximately RMB17,971,000 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 (2003: zero).

#### 1. 經營業績

##### 財務回顧

截至二零零四年十二月三十一日止年度，本集團錄得營業額約人民幣36,157,000元，當中包括來自技術轉讓及已訂約藥物開發服務之收入約人民幣28,536,000元及來自臨床研究服務及其他銷售活動之收入約人民幣5,346,000元，較上年度之總營業額微升約1.3%。

於回顧年度內，本集團之整體毛利率為51.9%，上年度則為79.8%。毛利率減少主要由於技術轉讓市場之競爭日趨激烈所致。

一般及行政開支增加24%至約人民幣11,867,000元，此乃主要由於員工成本增加約人民幣600,000元及上市後開支包括保薦人費用、核數師酬金等約人民幣1,500,000元。

截至二零零四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10,683,000元，較上年度約人民幣20,360,000元減少47%。

##### 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。年內，本集團主要以其經營收益、內部資源及二零零三年配售所得淨額撥付營運資金。於二零零四年十二月三十一日，本集團之流動資產約為人民幣74,671,000元，當中約人民幣17,971,000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（二零零三年：零）。



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Capital Structure

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 clinical research services, manufacturing, marketing and sales. In the reporting period, it has entered into several discussions with potential strategic partners to complement its future development. The Group has undertaken a transition into a fully integrated pharmaceutical services organization and has structured its business into five core business units, VP-Technology Transfer, VP-PDS (Pharmaceutical Development Service), VP-CRS (Clinical Research Service), VP-API (Active Pharmaceutical Ingredient) and VP-Mart (Venturepharm-Mart).

A number of new products are scheduled to be launched in the consumer market in the first half of 2005 and the sales revenue is expected to grow in line with the business plan. The newly established research center in Hainan Province has developed in good shape in accordance with the original plan and has retained quality research analysts for selected new projects.

During the year, there were a number of exchange visits between some international organizations in exploring potential strategic alliance opportunities. No formal agreement has yet been entered into as at the reporting date.

#### Significant Investment

The Company invested its surplus fund through its principal bank in investment grade target redemption bond. In addition to that, on January 2004, the Group had invested into a long term investment of RMB6,080,000 for a production plant and own 19% of the equity interest of it.

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

There were no material acquisitions and disposals of subsidiaries and affiliated companies during the year.

#### 資本結構

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臨床研究服務、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。本集團已轉型為一家全面綜合藥業服務機構，並將其業務分為五項核心業務單位，包括VP-技術轉讓、VP-PDS（藥物開發服務）、VP-CRS（臨床研究服務）、VP-API（有效藥劑成份）及VP-Mart（萬全市場（Venturepharm-Mart））。

若干新產品已訂於二零零五年上半年推出消費市場，而預期銷售收益將配合業務計劃而增長。剛於海南省成立之研究中心已按原定計劃良好發展，並挽留若干新項目之優秀研究分析員。

年內，本集團與若干國際組織進行交流訪問，以尋求潛在戰略聯盟機會，惟於本報告日期尚未訂立任何正式協議。

#### 重大投資

本公司已透過其主要往來銀行將盈餘資金投資於投資級定額收入債券。此外，本集團於二零零四年一月亦對一生產廠房作出為數人民幣6,080,000元之長期投資，並擁有該廠房19%股本權益。

#### 重大收購及出售附屬公司及聯屬公司

年內並無對附屬公司及聯屬公司進行重大收購及出售。



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### 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 205 as at 31 December 2004 (2003: 184). 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 options schemes.

#### Charge on Assets

As at 31 December 2004, the Group pledged its bank deposits of RMB9,811,000 and investment in securities of RMB16,553,000 as security for the general banking facilities granted to the Group. (2003: Nil).

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

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

#### CAPITAL COMMITMENTS

As at 31 December 2004, the Group had operating lease commitments in respect of rented office premises of approximately RMB12,886,000 (2003: RMB14,559,000). Apart from that, as at 31 December 2004 and 2003, the Group had no significant capital commitment.

#### Foreign Exchange Exposure

During the period under review, the Group's transactions were substantially denominated in Renminbi ("RMB") and about 76% 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.

#### 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

於二零零四年十二月三十一日，本集團合共有205名僱員（二零零三年：184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

於二零零四年十二月三十一日，本集團已抵押其銀行存款人民幣9,811,000元和證券投資人民幣16,553,000元予銀行，以作為本集團取得一般銀行信貸之抵押品（二零零三年：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。

#### 資本承擔

於二零零四年十二月三十一日，本集團就租用辦公室之經營租約承擔約為人民幣12,886,000元（二零零三年，人民幣14,559,000元）。除此外，於二零零四年及二零零三年十二月三十一日，本集團並無其它重大資本承擔。

#### 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76%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。





## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Contingent Liabilities

As at 31 December 2004, the Group did not have any contingent liabilities (2003: Nil).

## 2. BUSINESS REVIEW

### VP-Mart (Venturepharm-Mart)

Along with the Group's growth strategy to retain certain drug projects with best commercialization potential for own commercialization in order to seek long term business benefits, marketing activity in the consumer market commenced in 2004 as scheduled. There are 5 new products launched in the market and achieved satisfactory result for the period. The sales network basically covers the whole PRC. The growth in this area is expected to be high. Few new products already planned to launch in the first half of 2005 and more products are anticipated to be launched in the market in the second half of 2005. The management believes the sales generated from this area will become the major contribution to the future success of the Group.

### VP-PDS (Pharmaceutical Development Service)

While the current market demand for Chinese pharmaceutical technology service in local and abroad is huge, the Group has been actively capitalized the business opportunities. Leverage on its own advanced research and development technology and comprehensive customer service, the Group actively expands the client base from technology transfer to PDS service, maximizing the value of clients and increasing the income of the Group. As at 31 December 2004, the Group has 65 PDS clients and achieved turnover of RMB15,822,000 for the period ended. With the expected strategic transformation in success by the Group, PDS is going to become one of the business growing points of the Company in future.

#### 或然負債

於二零零四年十二月三十一日，本集團並無任何或然負債（二零零三年：無）。

## 2. 業務回顧

### VP-Mart (萬全市場)

配合本集團保留若干自行作商業化之豐厚潛力藥品項目，以尋求長期業務回報之增長策略，本集團按計劃於二零零四年開始於消費市場進行市場推廣活動。期內已於市場推出5項新產品，並取得良好之市場反應。銷售網絡大致覆蓋全中國。預計此業務範圍將取得較高增長。本集團已計劃於二零零五年上半年推出若干新產品，而二零零五年下半年將於市場推出更多產品。管理層相信，來自此業務之銷售額將為本集團日後之成功作出主要貢獻。

### VP-PDS (藥物開發服務)

目前國內外對中國醫藥技術服務市場需求巨大，集團敏銳捕捉商計，憑藉自身領先的研發技術和完善的客戶服務積極把技術轉讓的客戶延伸至PDS服務，極大化了客戶價值並且提高了集團收入。目前集團已擁有PDS客戶65個，截至到二零零四年十二月三十一日止，實現營業額人民幣15,822,000元。集團預計隨著公司的成功戰略轉型，PDS將成為公司未來的一個業務增長點。



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### VP-Technology Transfer

During the reporting period, the Group has signed technology transfer contracts for 36 drug products with a total contract value of approximately RMB29,610,000. Total number of technology transfer exceeds 200 since the Group's establishment. The team continues to develop the client base and secures high quality clients, among our clients, over 35% are listed companies in the stock market. Due to increasing competition, mainly due to increased number of applications to The State Food and Drug Administration ("SFDA") on similar products by other research organizations, the average selling price and profit margin on technology transfer sales has decreased during the year. In view of such business environment, the Group has focused on improved customer services and increase in the activity of customer visits. This achieved satisfactory result in customer retention, higher customers' satisfaction and better relationship with clients.

#### VP-CRS (Clinical Research Service)

There are 20 clinical development contracts signed with total contract value increased from RMB12,000,000 in 2003 to approximately RMB15,581,000 in this year. The increase was due to the successful of the Group's strategy to expand into this market. The activity and capability of the CRS has significantly increased as a result of effective training and recruitment of high quality staff. 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.

#### VP-API (Active Pharmaceutical Ingredient)

A number of research projects on APIs have been developed into various stages during the period. Due to the different nature of requirements for the production of various type of APIs, the group has by itself or cooperated with other parties established various production plants in different scales and in different provinces within the PRC. According to the market and customers requirements, the Group has developed production of 7 APIs and made enhancement on more than 10 intermediate ingredients during the year. The management team had participated into a number of international exhibitions in Tokyo, Belgium and Shanghai during the period in promoting the API products, brand building and conducting market research. The staff quality has been improved and strengthened during the process and turned into a very strong development force for the future.

#### VP - 技術轉讓

報告期內，本集團已簽訂涉及36項藥品之技術轉讓合約，合約價值共約人民幣29,610,000元。自本集團成立以來，技術轉讓總數已超過200項。該隊伍不斷發展客戶基礎並挽留優質客戶，當中逾35%為於證券市場上市之上市公司。面對日趨激烈之競爭（主要由於其他研究組織向國家食品藥品監管局提交類似產品之申請增加所致），技術轉讓銷售之平均售價及毛利率於年內有所下滑。本集團有鑑於此營商環境，已集中改善其客戶服務，並增加到訪客戶之活動。此舉在挽留客戶方面已取得理想成效，而客戶之評價及與其之關係亦取得長足發展。

#### VP-CRS (臨床研究服務)

20項已簽訂之臨床開發合約之總值，已由二零零三年之人民幣12,000,000元增至本年度約人民幣15,581,000元。增長乃由於本集團進軍此市場之策略取得成效。CRS業務及產能已隨有效培訓及聘請優質員工而大幅增長。本集團於報告期間亦已簽訂若干有關國內及跨國公司之合約，涉及產品註冊、產品及技術開發服務。

#### VP-API (有效藥劑成份)

若干API研究項目於期內已分階段進行開發。鑑於生產不同種類之API有不同性質之需要，故本集團已自行或聯同其他人士於國內不同省份成立不同規模及類型之生產廠房。根據市場及客戶要求，本集團於年內已開發生產7項API，並改良逾10種中介成份。管理層並於期內出席東京、比利時及上海舉行之國際展覽會，以推廣API產品、建立品牌及進行市場研究。員工素質於有關過程中已獲提升，並成為日後發展之一大動力。



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Research & Development

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

The Group's product pipeline has now expanded into a total of 470 products with 80 new projects initiated since the start of year 2003. In the same said period, 56 new products were submitted to The State Food and Drug Administration ("SFDA") for Clinical Study Permits ("CSP's") while 72 new CSP's were granted to the Group. The total number of CSP's accumulated by the Group climbed to 178. In the same said period, 36 Manufacturing Permit applications were submitted to the SFDA and 23 new Manufacturing Permits were granted. The total number of Manufacturing Permits accumulated by the Group climbed to 44.

For the past twelve months, 20 new patent applications were submitted to the State Intellectual Property Office ("SIPO"), making a total of 48 patents applications as at 31 December 2004 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, several service agreements were signed with foreign companies pertaining to drug and medical device registration services. In June 2004, a senior delegation from Johnson & Johnson visited the Group's Beijing office paving the way for potential strategic alliance between the Group and its China based subsidiary. In January 2005, Hannah InterActions from UK also visited us for potential business opportunities.

#### 研究及開發

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。

本集團之產品供應線已擴展至合共470種產品，而80個新項目已自二零零三年初展開。同期，56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72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178張。此外，同期亦已向國家食品藥品監督管理局提出36份生產許可證申請，並已獲批23張新發出之生產許可證。本集團累積所得之生產許可證增加至44張。

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20項新專利申請，而於二零零四年十二月三十一日，本集團自其投入營運以來所提交之專利申請合共有48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。回顧期內本集團與外資公司簽訂若干有關藥品及醫療器材註冊服務之服務協議。於二零零四年六月，強生（Johnson & Johnson）高級代表團到訪本集團之北京辦事處，為與本集團及其以中國為基地之附屬公司組成戰略聯盟而鋪路。於二零零五年一月，英國 Hannah InterActions亦到訪本集團商討潛在商機。



## COMPARISON OF BUSINESS OBJECTIVES TO ACTUAL BUSINESS PROGRESS 業務目標與實際業務進展比較

### Business objectives for the period from 1 January 2004 to 31 December 2004 as stated in the Prospectus of the Company dated 30 June 2003

誠如本公司於二零零三年六月三十日刊發之  
售股章程所載由二零零四年一月一日至  
二零零四年十二月三十一日止之業務目標

#### Drug product pipeline expansion 拓展藥品渠道

1. To achieve total number of 340 accumulated drug projects to be carried out to the following stages of development:

進展到下列開發階段之藥品項目總數達致340個：

- Pre-Clinical and pending Clinical Study Permit (180).  
臨床前研究及待批臨床研究許可證(180)。
- Pending New Drug Certificates/Drug Manufacturing Permits or Approval for Standardized Drugs (86).  
待批新藥證書／藥品生產許可證／標準藥品批文(86)。
- New Drug Certificates/Drug Manufacturing Permits or Approvals for Standardized Drugs obtained (74).  
已獲發新藥證書／藥品生產許可證／標準藥品批文(74)。

2. Evaluate pre-clinical works for Category A drug projects.

評估A類藥品項目之臨床前工作。

3. File 4 patent applications for registering proprietary technologies and processes with the State Intellectual Property Office

向國家知識產權局提交4項專有技術及工藝之專利申請。

#### Actual Business Progress

##### 實際業務進展

72 clinical permits were obtained in 2004. Accumulated total 178.

於二零零四年，已取得72張臨床許可證。累積總數為178張。

23 manufacturing permits were obtained in 2004. Accumulated total 44.

於二零零四年，已取得23張生產許可證，累積總數為44張。

So far there are 4 Category A projects under development.

至今，4個A類藥品項目正在開發。

The Group had submitted 48 patent applications since its inception.

本集團自成立起已遞交48項專利申請。



## COMPARISON OF BUSINESS OBJECTIVES TO ACTUAL BUSINESS PROGRESS

### 業務目標與實際業務進展比較

#### Business objectives for the period from 1 January 2004 to 31 December 2004 as stated in the Prospectus of the Company dated 30 June 2003

誠如本公司於二零零三年六月三十日刊發之售股章程所載由二零零四年一月一日至二零零四年十二月三十一日止之業務目標

#### Commercialization of drug projects and marketing 藥品項目商業化及市場推廣

1. Recruit 8 marketing professionals focusing on different regions of the market.  
招募8名專業市場推廣人員，分別負責不同市場區域。
2. Recruit marketing professional for the North America marketing and sales support office.  
為北美市場推廣及銷售支援辦事處招募專業市場推廣人員。
3. Continue to cooperate with pharmaceutical manufacturer in the PRC for production of the Group's drug products which fall within the therapeutic areas identified in earlier period under the *Venturepharm* 萬全 brand name.  
繼續與中國製藥商合作生產本集團之藥品，以 *Venturepharm* 萬全為品牌，治療範圍與較早期間所確定者相同。
4. Expand marketing and sales force in PRC such as Shanghai and Beijing.  
在中國（例如上海及北京）擴大市場推廣及銷售隊伍。

#### Actual Business Progress 實際業務進展

The Group has recruited 35 marketing professionals focusing on different regions of the market. In addition, the Group has built up cooperation agreement with a sales and distribution company in Hainan Province for the distribution of the Group's products.  
本集團已招募35名專業市場推廣人員，分別負責不同市場區域。此外，本集團已與湖南省一家銷售及分銷公司就分銷本集團產品訂立合作協議。

1 market professional has been hired during the period.  
期內已聘請1名市場推廣專業人員。

Continue with the cooperation with Sanmenxia Sinoway Pharmaceuticals Co. Ltd. in the production of the Group's drug products.  
繼續與三門峽賽諾維製藥有限公司合作生產本集團藥物產品。

The Group is exploring a potential joint-venture opportunity with a Shanghai distributor for the sales and distribution of the Group's product.  
本集團正尋求與一名上海分銷商就銷售及分銷本集團產品成立合營企業之機會。



## COMPARISON OF BUSINESS OBJECTIVES TO ACTUAL BUSINESS PROGRESS

### 業務目標與實際業務進展比較

#### Business objectives for the period from 1 January 2004 to 31 December 2004 as stated in the Prospectus of the Company dated 30 June 2003

誠如本公司於二零零三年六月三十日刊發之售股章程所載由二零零四年一月一日至二零零四年十二月三十一日止之業務目標

#### Expansion into overseas markets

進軍海外市場

1. Set up marketing offices in Hong Kong and India.  
在香港及印度設立市場推廣辦事處。
2. Set up a marketing and sales support office in North America.  
在北美設立市場推廣及銷售支援辦事處。

#### Manufacturing

製造

Commence scale-up development from laboratory-scale to production-scale manufacture and manufacturing activities in the Group's GMP compliant facility near Beijing.  
在本集團位於北京附近之GMP遵規設施展開規模化開發，由實驗室規模擴大至生產規模之製造業務。

#### Actual Business Progress

實際業務進展

The establishment of branch offices in other cities is delayed to 2005 subject to review of market demand.

在其他城市成立分部辦事處推延至二零零五年，有待審視市場需求。

Several companies from the USA and UK were in discussion for contract provision of services, including clinical development and product registration.

多間來自美國及英國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。

Due to the different nature of requirements for the production of various type of APIs, the group has by itself or cooperated with other parties established various production plants in different scales and in different provinces within the PRC.

由於各種有效藥劑成份之生產規格之性質各異，本集團已在中國不同省份獨力或與其他人士成立不同規模之多個生產廠房。





## COMPARISON OF BUSINESS OBJECTIVES TO ACTUAL BUSINESS PROGRESS

### 業務目標與實際業務進展比較

#### 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 from the listing date to 31 December 2004

上市日期起至二零零四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)	517	3,030
For marketing activities and brand building (note 2)	用於市場推廣及建立品牌(附註2)	2,790	8,109
For GMP plant establishment	用於成立符合GMP規定之廠房	7,662	7,000
For overseas market expansion (note 3)	用於進軍海外市場(附註3)	115	1,583
General working capital	一般營運資金	1,000	1,000
<b>Total</b>	<b>合計</b>	<b>12,084</b>	<b>20,722</b>

#### Notes:

- Lower expenditure incurred as at end of 31 December 2004 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.
- 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 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.

#### 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，故於二零零四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。
- 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之售股章程所述未來業務目標所需。



## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層簡歷

#### EXECUTIVE DIRECTORS

Mr. William Xia GUO, aged 40, 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. Maria Xue Mei SONG, aged 37, 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 38, 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.

#### 執行董事

郭夏先生，40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。

宋雪梅博士，37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，38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。



## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層簡歷

#### NON-EXECUTIVE DIRECTORS

Dr. FENG Tao, aged 37, 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.

Mr. WU Xin, aged 33, 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.

Dr. Nathan Xin ZHANG, aged 40, is a non-executive director. Dr. Zhang is the former chief executive officer of Chipscreen Biosciences Ltd., a leading Chinese biotech company specialized in innovated cancer, diabetes, and osteoporosis drug discovery. Dr. Zhang had worked with KPMG LLP and Credit Suisse First Boston. Dr. Zhang holds an M. D from Tianjin Medical University, Ph. D from University of Pennsylvania, and an MBA from the University of Chicago, USA.

#### 非執行董事

馮濤博士，37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。

吳欣先生，33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。

張欣博士，40歲，非執行董事。張博士曾任深圳微芯生物公司總裁，該公司是一家中國知名之致力於治療II型糖尿病、腫瘤等的創新生物醫藥公司。彼也曾就職於KPMG紐約公司、瑞士信貸第一波士頓紐約投資銀行部。彼持有天津醫學院博士學位美國賓西法尼亞大學藥理學博士學位及芝加哥大學商學院工商管理碩士。



## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層簡歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WU Ming Yu, aged 73, 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 independent non-executive Director in August 2002.

Mr. Paul CONTOMICHALOS, aged 44, 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 18 years of experience in this field. He was appointed as independent non-executive Director in August 2002.

Mr. WANG Hong Bo, aged 35, is an independent non-executive director. He is a member of the Association of Chartered Certified Accountants and the Chinese Institute of Certified Public Accountants. Mr. Wang graduated from Nan Kai University with a master degree. Mr. Wang is presently a finance manager of TCL Group Limited. Mr. Wang has over 10 years of experience in auditing. He was appointed as independent non-executive Director in September 2004.

#### 獨立非執行董事

吳明瑜先生，73歲，獨立非執行董事兼審核委員會主席。吳先生為中國（海南）改革發展研究院學術委員會委員、中國科學技術協會全國委員會委員、中國技術經濟研究會名譽理事長、中國科學與科技政策研究會名譽理事長及中國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主任、國家科學技術委員會副主任、中國技術經濟研究會理事長、中國科學學與科技政策研究會副理事長。彼於二零零二年八月獲委任為獨立非執行董事。

Paul CONTOMICHALOS先生，44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，在該範疇積逾約十八年經驗。彼於二零零二年八月獲委任為獨立非執行董事。

王紅波先生，35歲，獨立非執行董事。彼為英國特許公認會計師公會、中國註冊會計師協會之會員。彼現為TCL集團股份有限公司財務經理。彼擁有逾10年財務管理經驗。彼於二零零四年九月獲委任為獨立非執行董事。



## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層簡歷

#### SENIOR MANAGEMENT

The Group's senior management comprises the following employees:

Mr. Wesley Yiu Wai TONG, aged 46, 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 Institute of Certified Public 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. Tom Tuo Jin, aged 52, is the Joint Chief Technology Officer. Dr. Jin holds M. D from University of Toronto and Ph. D from Hokkaido University. Dr. Jin engaged in education and pharmaceutical R&D in Japan, USA Novartis and Canada for years. Dr. Jin was a researcher with Aventis-Pasteur (USA), Supervisor of Formulation Division with BioDelivery Science (USA), as well as Associate Professor with Long Island University. Dr. Jin is the dean of Sinican Institute. Dr. Jin published 25 articles in periodical and applied for 10 patents. Dr. Jin is a member of American Association of Pharmaceutical Scientists.

Dr. Tarun GUPTA, aged 44, 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 14 years of experience in the field of pharmaceutical industry.

#### 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，46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。

Dr. Tom Tuo Jin，52歲，為聯席技術總監。Jin博士持有多倫多大學醫學博士及日本北海道大學博士學位。Jin博士多年來於日本、美國Novartis及加拿大從事教育及藥劑研發工作，曾經擔任Aventis-Pasteur (USA)的研究員、BioDelivery Science (USA)配方部的主管，以及美國長島大學副教授。Jin博士為Sinican Institute的院長。Jin博士於學報發表25編文章及擁有10項專利發明。Jin博士為美國藥學科學家協會成員。

Tarun GUPTA醫生，44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。彼於製藥業擁有十四年經驗。



## PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層簡歷

Mr. Wallace Xinhua TAO, aged 35, 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 10 years of experience in pharmaceutical marketing in the PRC. Mr. Tao joined the Group in May 2002.

Mr. Michael Kun LIU, aged 37, 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. Kun joined the Group in June 2002 and has 12 years of experience in the field of pharmaceutical industry.

陶新華先生，35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。他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，他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十年經驗，於二零零二年五月加盟本集團。

劉昆先生，37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，彼在製藥行業擁有十二年經驗。





## DIRECTORS' REPORT

### 董事會報告

The directors of the Company present their annual report and the audited financial statements of the Company and of the Group for the year ended 31 December 2004.

#### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries and associate are set out in notes 11 and 12, respectively, to the financial statements.

#### RESULTS

The results of the Group for the year ended 31 December 2004 are set out in the consolidated income statement on page 40 of the annual report.

The directors do not recommend the payment of final dividend.

#### 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.

#### SHARE CAPITAL

Details of the share capital of the Company are set out in note 18 to the financial statements.

本公司董事謹此呈報本公司及本集團截至二零零四年十二月三十一日止年度之年度報告及經審核財務報表。

#### 主要業務

本公司為一間投資控股公司。本公司之附屬公司及聯營公司之主要業務分別載於財務報表附註11及12。

#### 業績

本集團截至二零零四年十二月三十一日止年度之業績載於本年報第40頁綜合收益表。

董事不建議派發末期股息。

#### 物業、廠房及設備

本公司物業、廠房及設備於本年度之變動詳情載於財務報表附註9。

#### 股本

本公司之股本詳情載於財務報表附註18。



## DIRECTORS' REPORT

### 董事會報告

#### DIRECTORS

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

##### Managing Director:

William Xia GUO

##### Executive Directors:

Maria Xuemei SONG  
David Xuesong GAO (appointed on 18 March 2004)  
Uri Tak Kau LAW (resigned on 29 September 2004)

##### Non-Executive Directors:

FENG Tao  
WU Xin  
Philip Pak Yiu YUEN (resigned on 18 March 2005)  
Nathan Xin ZHANG (appointed on 2 February 2005)  
Derek LEE (resigned on 19 March 2004)

##### Independent Non-Executive Directors:

WU Ming Yu  
Paul CONTOMICHALOS  
WANG Hong Bo (appointed on 29 September 2004)

Apart from David Xuesong GAO, Nathan Xin ZHANG and WANG Hong Bo, which do not have a service contract, each of the executive directors has entered into a service contract with the Company for three years from 10 July 2003 (the "Listing Date"). Each of the executive directors and non-executive directors was appointed as director of the Company respectively subject to termination in certain circumstances as stipulated in the relevant service contracts, if applicable.

In accordance with Articles 95 and 112 of the Company's Articles of Association, WU Xin, Nathan Xin ZHANG and WANG Hong Bo retire and, being eligible, offer themselves for re-election.

#### 董事

年內及截至本報告日期止本公司之董事為：

##### 董事總經理：

郭夏

##### 執行董事：

宋雪梅  
高雪松 (於二零零四年三月十八日獲委任)  
羅德球 (於二零零四年九月二十九日辭任)

##### 非執行董事：

馮濤  
吳欣  
阮北耀 (於二零零五年三月十八日辭任)  
張欣 (於二零零五年二月二日獲委任)  
李信德 (於二零零四年三月十九日辭任)

##### 獨立非執行董事：

吳明瑜  
Paul CONTOMICHALOS  
王紅波 (於二零零四年九月二十九日獲委任)

除高雪松、張欣及王紅波並無訂立服務合約外，各執行董事已與本公司訂立自二零零三年七月十日（「上市日期」）起計為期三年之服務合約。各執行董事及非執行董事均獲委任為本公司董事，惟可在有關服務合約（如適用）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95及112條，吳欣、張欣及王紅波退任並合資格膺選連任。



## DIRECTORS' REPORT

### 董事會報告

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 2004, 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 of Hong Kong Limited (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 Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") were as follows:

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

於二零零四年十二月三十一日，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分部知會本公司及香港聯合交易所有限公司（「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：



## DIRECTORS' REPORT

### 董事會報告

#### Long positions in shares and underlying shares of the Company

##### (1) The Company

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		Total number of shares 股份總數	Approximate percentage of interest 權益概約百分比
				持有權益之股份數目	持有權益之股份數目		
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	Held by a controlled corporation (Note 1) 由受控制法團持有 (附註1)	149,432,583	-		149,432,583	41.51
William Xia GUO 郭夏	Corporate 公司	Held by a controlled corporation (Note 2) 由受控制法團持有 (附註2)	15,966,073	-		15,966,073	4.44

Note 1: The controlled corporation, Venturepharm Holdings Inc., is 47.63 per cent. directly held by Mr. William Xia GUO 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..

#### 於本公司股份及相關股份之好倉

##### (1) 本公司

附註1: 受控制法團 Venturepharm Holdings Inc. 由郭夏先生直接持有 47.63% 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。



## DIRECTORS' REPORT

### 董事會報告

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售股前購股權計劃所授出之購股權持有。詳情載列如下:

Name 姓名	Number of shares in which interested under physically settled equity derivatives as at 31.12.2004 於二零零四年十二月三十一日 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

Options granted to Mr. William Xia GUO 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. Mr. GUO has also undertaken to the Stock Exchange that he will not exercise his options granted under the Pre-IPO share option scheme within the first 12 months from the Listing Date.

郭夏先生獲授之購股權均附帶歸屬時間, 據此, 彼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。郭夏先生亦已向聯交所承諾, 於上市日期起計首12個月內, 彼不會行使彼根據首次公開發售前購股權計劃獲授之購股權。



## DIRECTORS' REPORT

### 董事會報告

(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 in 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	Held by a controlled corporation (Note 1) 由受控制法團持有(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 99 per cent. of its shareholding is beneficially held by Mr. William Xia GUO and 1 per cent. held by Dr. Maria Xuemei SONG.

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99%股權由郭夏先生實益持有，另1%則由宋雪梅博士持有。

Save as disclosed above, as at 31 December 2004, 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 measuring 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 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，於二零零四年十二月三十一日，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' REPORT

### 董事會報告

#### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 25 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 year or at any time during the year.

#### 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 RMB636,000 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.

#### 董事於重大合約之權益

除財務報表附註25所披露者外，於年末或年內任何時間，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。

#### 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636,000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。



## DIRECTORS' REPORT

### 董事會報告

#### 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 2004, 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 2004 are as follows:

Name of grantees	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 31.12.2004 於二零零四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
Other participants (Note 1 & 2) 其他參與者(附註1及2)	10 years 十年	HK\$0.32 0.32港元	2,520,000
Other participant (Note 3) 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

#### 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。於二零零四年十二月三十一日,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。於二零零四年十二月三十一日,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:



## DIRECTORS' REPORT

### 董事會報告

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.

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 new share option scheme.

However, no option was granted by the Company during the year and as at 31 December 2004.

Details of the share option scheme are set out in note 19 to the financial statements.

### Valuation of share options

The options granted are not recognised in the financial statements of the Group until they are exercised.

Other than the share option schemes as mentioned above, at no time during the year 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。

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, 本公司採納一項新購股權計劃。

然而, 於年內及截至二零零四年十二月三十一日, 本公司並無授出任何購股權。

有關購股權計劃之詳情載於財務報表附註19。

### 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。

除上述購股權計劃外, 於年內任何時間, 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。



## DIRECTORS' REPORT

### 董事會報告

#### SUBSTANTIAL SHAREHOLDERS

So far as it is known to any directors, chief executives of the Company, as at 31 December 2004, 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

Name 名稱	Capacity 身份	Long positions 好倉	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)	Held by a controlled corporation 由受控制法團持有	15,966,073	4.44
Bright Excel Assets Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	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 held by controlled corporations 實益擁有人及由受控制法團持有	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 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).

#### 主要股東

據本公司董事及主要行政人員所知，於二零零四年十二月三十一日，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

附註1：受控制法團Venturepharm Holdings Inc.分別由郭夏先生直接持有47.63%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。



## DIRECTORS' REPORT

### 董事會報告

Save as disclosed above, as at 31 December 2004, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares 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 2004, neither the sponsor of the Company, China Everbright Capital Limited ("China Everbright"), 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 Asia Capital Limited ("DBS"), DBS received, and will receive, fees for acting as the Company's sponsor for the periods of financial year ended 31 December 2003 and two financial years thereafter. However, the sponsor agreement was mutually agreed to be terminated on 11 January 2004. JS Cresvale Capital Limited was appointed to act as sponsor to the Company with effect from 11 January 2004. However, the sponsor agreement was mutually agreed to be terminated on 27 May 2004. China Everbright was appointed to act as sponsor to the Company with effect from 27 May 2004.

除上文所披露者外，於二零零四年十二月三十一日，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

於二零零四年十二月三十一日，本公司保薦人中國光大融資有限公司（「中國光大」）、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。

根據本公司與星展亞洲融資有限公司（「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。然而，保薦人協議已於二零零四年五月二十七日在雙方同意下予以終止。中國光大已自二零零四年五月二十七日起獲委任為本公司保薦人。



## DIRECTORS' REPORT

### 董事會報告

Pursuant to the agreement dated 27 May 2004, entered into between the Company and China Everbright, China Everbright received, and will receive, fees for acting as the Company's sponsor for the periods of the financial year commencing from (and including) 27 May 2004 and ending on (and including) 31 December 2005 or the date the agreement is terminated.

#### 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 11% 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.

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 2004.

#### BOARD PRACTICES AND PROCEDURES

The Company has complied with the board practices and procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules throughout the year ended 31 December 2004, which applied before the amendment of the GEM Listing Rules relating to the Code on Corporate Governance Practices and Rules on Corporate Governance Report on 1 January 2005. The Company will prepare a Corporate Governance Report in accordance with Rule 18.44 of the GEM Listing Rules for financial year ending 31 December 2005.

根據本公司與中國光大於二零零四年五月二十七日訂立之協議，中國光大將於二零零四年五月二十七日（包括當日）起至二零零五年十二月三十一日（包括當日）或協議終止當日止財政年度期間擔任本公司之保薦人，並就此收取費用。

#### 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11%。

本集團五大供應商應佔總購貨額少於本集團總購貨額30%。

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

截至二零零四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

本公司於截至二零零四年十二月三十一日止年度一直遵守創業板上市規則第5.34至5.45條所載之董事會常規及程序之規定，惟其於創業板上市規則於二零零五年一月一日修訂有關企業管治常規守則及企業管治報告規則前採納。本公司將根據創業板上市規則第18.44條編製截至二零零五年十二月三十一日止財政年度之企業管治報告。





## DIRECTORS' REPORT

### 董事會報告

#### AUDIT COMMITTEE

The Company has established an audit committee in July 2003 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual reports and accounts, half-yearly reports and quarterly reports and internal control system of the Group and provide advice and comments to the Board. The audit committee has three members comprising the three Independent Non-Executive Directors, Mr. WU Ming Yu, Mr. Paul CONTOMICHALOS and Mr. WANG Hong Bo. Mr. WU Ming Yu is the chairman of the audit committee.

The Group's interim financial results for the six months ended 30 June 2004, the quarterly financial results for the three months ended 31 March 2004 and 30 September 2004 and the audited financial statements for the year ended 31 December 2004 have been reviewed by the audit committee. The audit committee had held four 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.

#### AUDITORS

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, 22 March 2005

#### 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5.28至5.33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本公司之年度報告及賬目、半年報告及季度報告以及本集團之內部監控制度，並向董事會提供意見及建議。審核委員會由三名獨立非執行董事吳明瑜先生、Paul CONTOMICHALOS先生及王紅波先生組成，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二零零四年六月三十日止六個月之中期財務業績、截至二零零四年三月三十一日及二零零四年九月三十日止三個月之季度財務業績及截至二零零四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四次會議。

#### 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。

#### 核數師

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

中國北京，二零零五年三月二十二日





## AUDITORS' REPORT

### 核數師報告

# Deloitte.

## 德勤

### 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 40 to 80 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 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 Institute of Certified Public 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40至第80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，董事必須選取及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，並僅向全體股東報告，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。



## AUDITORS' REPORT

### 核數師報告

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 2004 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  
22 March 2005

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

本行認為財務報表真實與公平地反映 貴公司及貴集團於二零零四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  
二零零五年三月二十二日



## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

		NOTES	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
		附註		
Turnover	營業額	4	<b>36,157</b>	35,680
Cost of sales	銷售成本		<b>(17,390)</b>	(7,211)
Gross profit	毛利		<b>18,767</b>	28,469
Other operating income	其他經營收入		<b>4,580</b>	3,094
Administrative expenses	行政開支		<b>(11,867)</b>	(9,569)
Profit before taxation	除稅前溢利	5	<b>11,480</b>	21,994
Taxation	稅項	7	<b>(881)</b>	(1,506)
Profit after taxation before minority interests	除稅後但未計少數 股東權益前溢利		<b>10,599</b>	20,488
Minority interests	少數股東權益		<b>84</b>	(128)
Profit for the year	本年度溢利		<b>10,683</b>	20,360
Dividends, proposed final dividend of HK0.5 cent per ordinary share for 2003	股息·在二零零三年 擬派末期股息每股 普通股0.5港仙		–	1,908
Earnings per share (RMB)	每股盈利(人民幣元)	8		
– basic	– 基本		<b>0.0297</b>	0.0650
– diluted	– 攤薄		<b>0.0294</b>	0.0647



## CONSOLIDATED BALANCE SHEET

### 綜合資產負債表

At 31 December 2004 於二零零四年十二月三十一日

		NOTES 附註	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 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	6,256	4,721
New drug technology	新藥技術	10	2,510	–
Interest in an associate	於聯營公司之權益	12	2,235	–
Investments in securities	證券投資	13	22,633	25,906
			<b>33,634</b>	30,627
Current Assets	流動資產			
Work-in-progress	在製品	14	25,120	19,320
Trade receivables	應收貿易賬款	15	11,513	1,634
Other receivables, deposits and prepayments	其他應收款項、 按金及預付款項	16	17,675	8,094
Amounts due from related companies	應收關連公司款項	17	2,392	2,651
Pledged bank deposits	已抵押銀行存款		9,811	–
Bank balances and cash	銀行結餘及現金		8,160	33,153
			<b>74,671</b>	64,852
Current Liabilities	流動負債			
Other payables	其他應付款項		1,941	1,543
Receipt-in-advance	預收款項		3,721	2,208
Dividend payable	應付股息		54	–
Tax payable	應付稅項		454	697
			<b>6,170</b>	4,448
Net Current Assets	流動資產淨值		<b>68,501</b>	60,404
Total Assets less Current Liabilities	總資產減流動負債		<b>102,135</b>	91,031
Minority Interests	少數股東權益		3,190	870
			<b>98,945</b>	90,161
Capital and Reserves	股本及儲備			
Share capital	股本	18	38,160	38,160
Reserves	儲備		60,785	52,001
			<b>98,945</b>	90,161

The financial statements on pages 40 to 80 were approved and authorised for issue by the Board of Directors on 22 March 2005 and are signed on its behalf by:

載於第40至第80頁之財務報表於二零零五年三月二十二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. Maria Xuemei SONG  
DIRECTOR

郭夏先生  
董事

宋雪梅博士  
董事



## BALANCE SHEET

### 資產負債表

As at 31st December, 2004 於二零零四年十二月三十一日

		NOTES 附註	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 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	51	31
Interests in subsidiaries	於附屬公司之權益	11	42,363	39,936
Investments in securities	證券投資	13	16,553	25,906
			<b>58,967</b>	65,873
Current Assets	流動資產			
Other receivables	其他應收款項		1,019	878
Amount due from a related company	應收關連公司款項	17	25	25
Pledged bank deposits	已抵押銀行存款		9,811	–
Bank balances	銀行結餘		442	5,264
			<b>11,297</b>	6,167
Current Liabilities	流動負債			
Other payables	其他應付款項		657	546
Dividend payable	應付股息		54	–
			<b>711</b>	546
Net Current Assets	流動資產淨值		<b>10,586</b>	5,621
Total Assets less Current Liabilities	總資產減流動負債		<b>69,553</b>	71,494
Non-Current Liability	非流動負債			
Amount due to a subsidiary	應付附屬公司款項		2,693	2,472
			<b>66,860</b>	69,022
Capital and Reserves	股本及儲備			
Share capital	股本	18	38,160	38,160
Reserves	儲備	20	28,700	30,862
			<b>66,860</b>	69,022

Mr. William Xia GUO  
DIRECTOR

Dr. Maria Xuemei SONG  
DIRECTOR

郭夏先生  
董事

宋雪梅博士  
董事



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 綜合權益變動表

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise expansion fund	Accumu- lated profits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	法定企業 發展基金	累計溢利	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 20)	(note 20)	(note 20)	(note 20)		
				(附註20)	(附註20)	(附註20)	(附註20)		
At 1 January 2003	於二零零三年一月一日	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
At 31 December 2003	於二零零三年 十二月三十一日	38,160	-	6,039	894	2,931	6,114	36,023	90,161
Final 2003 Dividend Declared	二零零三年已宣派 末期股息	-	-	-	-	-	-	(1,908)	(1,908)
Contribution from minority shareholder	少數股東出資	-	-	-	9	-	-	-	9
Transfer	轉撥	-	-	-	-	403	403	(806)	-
Profit for the year	本年度溢利	-	-	-	-	-	-	10,683	10,683
<b>At 31 December 2004</b>	<b>於二零零四年 十二月三十一日</b>	<b>38,160</b>	<b>-</b>	<b>6,039</b>	<b>903</b>	<b>3,334</b>	<b>6,517</b>	<b>43,992</b>	<b>98,945</b>



## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	11,480	21,994
Adjustments for:	就以下各項作出之調整：		
Allowance for trade receivables	應收貿易賬款撥備	968	3,190
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備之折舊及攤銷	348	194
Amortisation of intangible assets	無形資產之攤銷	115	-
Interest income	利息收入	(1,986)	(789)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	10,925	24,589
Increase in work-in-progress	在製品增加	(7,480)	(7,959)
Increase in trade receivables	應收貿易賬款增加	(10,847)	(2,634)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(9,581)	(7,204)
Decrease (Increase) in amounts due from related companies	應收關連公司款項減少(增加)	259	(1,646)
Increase in other payables	其他應付款項增加	398	284
Increase (decrease) in receipt-in-advance	預收款項增加(減少)	1,513	(626)
Cash (used in) generated from operations	經營(所用)產生之現金	(14,813)	4,804
Dividends paid	已付股息	(1,854)	-
Dividends paid to minority shareholders of a subsidiary	已付附屬公司少數股東之股息	(38)	-
People's Republic of China enterprise income tax paid	已付中華人民共和國企業所得稅	(1,124)	(873)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>經營業務(所用)所得之現金淨額</b>	<b>(17,829)</b>	3,931
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Increase in pledged bank deposits	已抵押銀行存款增加	(9,811)	-
Purchase of investments in securities	購買證券投資	(6,080)	(25,906)
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,029)	(1,764)
Investment in associate	於聯營公司之投資	(2,235)	-
Proceeds from disposal of investments in securities	出售證券投資之所得款項	9,353	-
Interest received	已收利息	1,986	789
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	201	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所用之現金淨額</b>	<b>(9,615)</b>	(26,881)





## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Contribution from minority shareholder of a subsidiary	附屬公司少數股東出資	2,451	-
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)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>融資活動所得之現金淨額</b>	<b>2,451</b>	<b>32,487</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物 (減少) 增加淨額</b>	<b>(24,993)</b>	<b>9,537</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>年初之現金及現金等價物</b>	<b>33,153</b>	<b>23,616</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>	<b>年終之現金及現金等價物 即銀行結餘及現金</b>	<b>8,160</b>	<b>33,153</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四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, the financial statements of the Group have been prepared using the principles of merger accounting in accordance with Statement of Standard Accounting Practice 27 "Accounting for Group Reconstructions".

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 and associate are set out in notes 11 and 12 respectively.

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(「上市日期」)起於聯交所創業板上市。

集團重組後之本集團被視為一間持續經營之實體。故此,本集團之財務報表根據會計實務準則第27號「集團重組之會計處理」按合併會計法基準編製。

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,其附屬公司及聯營公司之主要業務分別載於附註11及12。

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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRS may result in changes in the future as to how the results and financial position are prepared and presented.

#### 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. 最近頒佈之會計準則之潛在影響

於二零零四年，香港會計師公會（「香港會計師公會」）頒佈多項新或經修訂香港會計準則及香港財務報告準則（統稱為「新香港財務報告準則」），於二零零五年一月一日或之後開始之會計期間生效。本集團並無提早於截至二零零四年十二月三十一日止之財務報表採納該等新香港財務報告準則。

本集團已開始考慮該等新香港財務報告準則之潛在影響，惟仍未能確定香港財務報告準則對其經營業績及財政狀況之編製及呈列是否有顯著影響。該等新香港財務報告準則可能對日後業績及財政狀況之編製及呈列構成變動。

#### 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

### 財務報表附註

For the year ended 31 December 2004 截至二零零四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.

##### Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates, plus goodwill/less negative goodwill in so far as it has not been written off/amortised/released to income, 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.

#### 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。

##### 於聯營公司之權益

綜合收益表包括年內本集團分佔聯營公司之購入後業績。綜合資產負債表內，於聯營公司之權益乃以本集團分佔聯營公司之淨資產，加商譽／減負商譽（倘商譽／負商譽未於購入時撇銷／攤銷／撥入收入），減任何經確認減值虧損列賬。

##### 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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revenue recognition (Continued)

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.

Royalty income on drugs produced by third parties using the Group's drug technology is recognized when the right to receive is established.

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

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

#### 3. 主要會計政策 (續)

##### 收益確認 (續)

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。

因第三方使用本集團製藥技術生產藥品而產生之特許權收入於確立收款權利時確認。

貨品銷售於貨品交付及擁有權轉讓後確認。

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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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 improvements	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 sale proceeds and the carrying amount of the asset and is recognised in the income statement.

##### New drug technology development costs

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

An internally-generated asset arising from new drug technology 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. The resultant asset is amortised on a straight line basis over its useful life. Where no internally-generated intangible asset can be recognised, new drug technology development expenditure is recognised as an expense in the period in which it is incurred.

#### 3. 主要會計政策 (續)

##### 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。

##### 新藥品技術開發成本

新藥品技術之研究開支於期內產生時確認為支出。

僅在預期清楚界定之項目所產生之開發成本將透過未來之商業活動抵銷之情況下，方會確認新藥品技術開發開支所產生之內部產生資產。所產生之資產於其可使用年期按直線法攤銷。倘並無內部產生無形資產可予確認，則新藥品技術開發開支於其產生之期間確認為支出。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the period.

#### 3. 主要會計政策 (續)

##### 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。

持有至期滿為止之債務證券以外之投資分類為投資證券及其他投資。

投資證券（就識別為長遠策略目的持有）乃於其後之申報日期按成本減任何非臨時性之減值虧損計算。

其他投資按公平價值計算，而期內之純利或淨虧損包括未變現之收益及虧損。





## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四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.

##### Government grants

Government grants are recognised as income over the periods necessary to match with them with the related costs. Grant related to expense items are recognised in the same period as those expenses are charged in the income statement.

#### 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逾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。

##### 政府資助

政府資助於以相關成本抵銷之期間確認為收入。有關支出項目之資助於該等支出計入收益表之相同期間確認。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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 including 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.

##### 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.

#### 3. 主要會計政策 (續)

##### 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(包括因提供相關製藥申請、註冊及測試服務之成本),並按先進先出法計算。可變現淨值指在日常業務中之估計售價減去估計完成成本及估計所需銷售成本。

##### 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。應課稅溢利不包括以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收益表項目,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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

##### 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.

#### 3. 主要會計政策 (續)

##### 稅項 (續)

遞延稅項負債就於附屬公司聯營公司之投資產生之應課稅暫時差額予以確認，惟於本集團可控制暫時差額之撥回及暫時差額可能在可見將來不會撥回則除外。

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。

##### 外幣

非人民幣之交易按交易日之適用匯率換算。於結算日以該等貨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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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

##### Turnover and contribution to profit from operations by segment

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Transfer of technology for new drug and new drug development	轉讓新藥技術及新藥開發	12,714	21,700
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	15,822	11,903
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	5,346	2,077
Import registration services	入口登記服務	1,198	—
Royalty income	特許權收入	1,032	—
Sales of active pharmaceutical ingredients products	銷售有效藥物成份產品	45	—
		<b>36,157</b>	<b>35,680</b>

Turnover and contribution to profit from operations by segment has not been presented as over 90% of 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)

##### 退休福利計劃

於收益表內扣除之中華人民共和國(「中國」)市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

##### 營業額及對經營溢利之貢獻之分類分析

	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Transfer of technology for new drug and new drug development	12,714	21,700
Contracted pharmaceutical development services and clinical research services associated with technology transferred by the Group	15,822	11,903
Contracted pharmaceutical development services and clinical research services not associated with technology transferred by the Group	5,346	2,077
Import registration services	1,198	—
Royalty income	1,032	—
Sales of active pharmaceutical ingredients products	45	—
	<b>36,157</b>	<b>35,680</b>

由於本集團超過90%之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

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 5. PROFIT BEFORE TAXATION

#### 5. 除稅前溢利

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 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' emoluments):	員工成本(包括董事酬金)：		
Staff costs	員工成本	7,916	6,687
Retirement benefits scheme contributions	退休福利計劃供款	705	524
		8,621	7,211
Less: amount capitalised in work-in-progress	減：在製品中已撥充資本之金額	(4,656)	(3,922)
Total staff costs	員工成本總額	3,965	3,289
Depreciation	折舊	1,293	1,026
Less: amount capitalised in work-in-progress	減：在製品中已撥充資本之金額	(945)	(832)
		348	194
Amortisation of intangible assets including in administrative expenses	計入行政開支之無形資產攤銷	115	-
Auditors' remuneration	核數師酬金	550	425
Research and development costs	研究及開發成本	-	1,101
Minimum lease payments paid under operating lease	按經營租約須支付之最低租金	1,800	377
Allowance for trade receivables	應收貿易賬款撥備	968	3,190
Allowance for (reversal of allowance for) work-in-progress	在製品撥備(撥回撥備)	1,549	(558)
and after crediting:	及已計入：		
Interest income	利息收入	1,986	789



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 6. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

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

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
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	809	1,027
- Retirement benefits scheme contributions	- 退休福利計劃供款	17	7
		<b>826</b>	1,034

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

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Director A	甲董事	334	583
Director B	乙董事	191	282
Director C	丙董事	150	169
Director D	丁董事	151	-
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	-	-
Director J	癸董事	-	-
Director K	子董事	-	-
		<b>826</b>	1,034

#### 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：

年內支付予本公司董事之酬金如下：



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 6. DIRECTORS' AND EMPLOYEES' REMUNERATIONS (Continued)

##### Employees' emoluments

Of the five individuals with the highest emoluments in the Group, four individuals (2003: three individuals) were directors of the Company whose emoluments are included in the disclosure set out above. The emoluments of the remaining individual (2003: two individuals) were as follows:

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	179	433
Retirement benefits scheme contributions	退休福利計劃供款	-	7
		<b>179</b>	<b>440</b>

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

During the year, no emoluments 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 emoluments during the year.

#### 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，其中四位（二零零三年：三位）為本公司董事，其酬金已於上文披露。其餘人士（二零零三年：兩位）之酬金如下：

五位最高薪酬僱員於該兩個年度之酬金均不足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。





## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 7. TAXATION

#### 7. 稅項

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
The charge represents:	稅項支出指:		
PRC enterprise income tax	中國企業所得稅	881	1,506

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.

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。

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

中國企業所得稅乃根據中國有關法律及規例計算。

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 enterprise income tax at a rate of 15 per cent. on its income after offsetting prior year's losses. Furthermore, they are exempted from PRC enterprise 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.

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%之中國企業所得稅。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企業所得稅，並於其後三個年度獲減免50%稅率。

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

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企業所得稅。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%之稅率繳納中國企業所得稅，並於其後按15%之稅率繳稅。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 7. TAXATION (Continued)

V Biopharm became profitable after offsetting prior year tax losses from 1 January 2000 and as such, it was exempted from PRC enterprise income tax from 1 January 2000 to 31 December 2002. V Biopharm is subject to PRC enterprise 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.

The income tax expense for the year can be reconciled to the profit before taxation per the income statement as follows:

#### 7. 稅項 (續)

萬全陽光自二零零零年一月一日起抵銷過往年度之稅項虧損後開始獲利，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企業所得稅。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%之稅率繳納中國企業所得稅，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。

本年度之所得稅開支與收益表之除稅前溢利對賬如下：

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	11,480	21,994
Tax charge at the PRC enterprise income tax rate of 15%	按中國企業所得稅稅率15%計算之稅項開支	1,722	3,299
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	330	297
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	(286)	(160)
Tax effect of unrecognised deferred tax asset	未確認遞延稅項資產之稅務影響	(22)	(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	(863)	(1,762)
Tax expense for the year	本年度稅項開支	881	1,506
Effective tax rate for the year	本年度實際稅率	7.7%	6.8%



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 7. TAXATION (Continued)

At 31 December 2003, the Group had unrecognised deferred tax asset of RMB62,000 in respect of the aggregate deductible temporary differences associated with the receivables. No deferred tax asset had been recognised in respect of deductible temporary differences due to the unpredictability of future profit streams. At 31 December 2004, the Group did not have any significant temporary difference.

#### 8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of RMB10,683,000 (2003: RMB20,360,000) and the number of 360,000,000 (2003: weighted average number of 313,151,000) shares of the Company in issue during the year.

The calculation of the diluted earnings per share for the year is based on the profit for the year of RMB10,683,000 (2003: RMB20,360,000) and the weighted average of 363,540,000 (2003: 314,758,000) shares (after adjusting for the effect of the outstanding dilutive options of 3,540,000 (2003: 1,607,000) shares under the share option schemes of the Company).

#### 7. 稅項 (續)

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。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。於二零零四年十二月三十一日，本集團並無任何重大暫時差異。

#### 8. 每股盈利

每股基本盈利乃根據本年度溢利人民幣10,683,000元（二零零三年：人民幣20,360,000元）及年內本公司已發行股份數目360,000,000股（二零零三年：加權平均數313,151,000股）計算。

本年度每股攤薄盈利乃根據本年度溢利人民幣10,683,000元（二零零三年：人民幣20,360,000元）及加權平均數363,540,000股（二零零三年：314,758,000股）（已就根據本公司購股權計劃未行使之具攤薄效應之購股權項下3,540,000股（二零零三年：1,607,000股）之影響作調整）計算。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 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 2004	於二零零四年一月一日	931	4,446	1,369	692	7,438
Additions	增添	77	1,921	455	576	3,029
Disposals	出售	-	(398)	-	-	(398)
At 31 December 2004	於二零零四年十二月三十一日	1,008	5,969	1,824	1,268	10,069
<b>DEPRECIATION</b>	<b>折舊</b>					
At 1 January 2004	於二零零四年一月一日	390	1,759	360	208	2,717
Provided for the year	本年度撥備	221	694	255	123	1,293
Eliminated on disposals	出售時撇銷	-	(197)	-	-	(197)
At 31 December 2004	於二零零四年十二月三十一日	611	2,256	615	331	3,813
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>					
At 31 December 2004	於二零零四年十二月三十一日	397	3,713	1,209	937	6,256
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

**Furniture, fixtures  
and equipment  
傢俬、裝置及設備  
RMB'000  
人民幣千元**

	本公司 成本	
<b>THE COMPANY COST</b>		
At 1 January 2004	於二零零四年一月一日	41
Additions	增添	34
At 31 December 2004	於二零零四年十二月三十一日	75
<b>DEPRECIATION</b>	<b>折舊</b>	
At 1 January 2004	於二零零四年一月一日	10
Provided for the year	本年度撥備	14
At 31 December 2004	於二零零四年十二月三十一日	24
<b>NET BOOK VALUE</b>	<b>賬面淨值</b>	
At 31 December 2004	於二零零四年十二月三十一日	51
At 31 December 2003	於二零零三年十二月三十一日	31



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 10. NEW DRUG TECHNOLOGY

#### 10. 新藥技術

**THE GROUP**  
本集團  
RMB'000  
人民幣千元

<b>COST</b>	<b>成本</b>	
Transferred from work-in-progress during the year and balance at 31 December 2004	於本年度轉撥自在製品及於二零零四年十二月三十一日之結餘	2,625
<b>AMORTISATION</b>	<b>攤銷</b>	
Provided for the year and balance at 31 December 2004	本年度撥備及於二零零四年十二月三十一日之結餘	115
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>	
At 31 December 2004	於二零零四年十二月三十一日	2,510

The intangible assets were amortised over five years.

無形資產分五年期攤銷。

#### 11. INTERESTS IN SUBSIDIARIES

#### 11. 於附屬公司之權益

		<b>2004</b>	2003
		<b>二零零四年</b>	二零零三年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Unlisted shares, at cost	非上市股份·按成本	<b>30,374</b>	30,374
Amounts due from subsidiaries	應收附屬公司款項	<b>11,989</b>	9,562
		<b>42,363</b>	39,936

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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 11. INTERESTS IN SUBSIDIARIES (Continued)

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

Particulars of the Company's subsidiaries as at 31 December 2004 are as follows:

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, the 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
Hainan Sinican Bio-labs Limited	Private company 私營公司	Hainan, the PRC 中國海南	US\$54,000 54,000美元	-	100%	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; 研究及開發生物藥品、天然藥品及合成藥品之技術轉讓及服務; 藥品之藥效研究及臨床研究

#### 11. 於附屬公司之權益 (續)

應收(應付)附屬公司款項為無抵押、免息及無固定償還條款。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。

本公司附屬公司於二零零四年十二月三十一日之詳情如下：



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 11. INTERESTS IN SUBSIDIARIES (Continued)

#### 11. 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	
Hanzhong Venturepharm Pharm-Chemical Company Ltd.	Private company 私營公司	Hanzhong, the PRC 中國漢中	US\$600,000 600,000美元	-	51%	Sales and manufacturing of Active Pharmaceutical Ingredients products 銷售及生產活性藥物成份產品
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 (b)) (附註(b))	Inactive 並無開展業務
V Biopharm 萬全陽光	Joint venture 合營	Beijing, the PRC 中國北京	RMB1,655,747 人民幣1,655,747元	-	100%	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； 研究及開發生物藥品、天然藥品及合成藥品 之技術轉讓及服務；藥品之藥效研究 及臨床研究
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





## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 11. INTERESTS IN SUBSIDIARIES (Continued)

#### 11. 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	
Venovo Pharma US Inc.	Private company 私營公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
北京德眾萬全 醫藥科技 有限公司	Private company 私營公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	-	100%	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； 研究及開發生物藥品、天然藥品及合成藥品 之技術轉讓及服務；藥品之藥效研究 及臨床研究

Notes:

(a) Pursuant to an agreement entered into between the Group and the minority shareholder of Dezhong VP, the minority shareholder agree 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) 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。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) 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

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 12. INTEREST IN AN ASSOCIATE

#### 12. 於聯營公司之權益

##### THE GROUP

##### 本集團

	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Share of net assets of an associate 應佔聯營公司資產淨值	2,235	-

Details of the Group's associate at 31 December 2004, which is held indirectly by the Company, are as follows:

於二零零四年十二月三十一日，由本公司間接擁有之本集團聯營公司詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ establishment/operations 註冊成立／成立／經營地點	Attributable equity interest 應佔股本權益	Principal activity 主要業務
Zhejiang Dankong Venturepharm Co. Ltd.	Zhejiang, the PRC 中國浙江	45%	Inactive 並無開展業務

#### 13. INVESTMENTS IN SECURITIES

#### 13. 證券投資

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
<b>Non-current</b>	<b>非流動</b>				
Unlisted held-to-maturity debt securities	非上市持有到期之債務證券	16,553	25,906	16,553	25,906
Unlisted investment securities outside Hong Kong, at cost	於香港以外之非上市投資證券 (按成本計算)	6,080	-	-	-
		<b>22,633</b>	25,906	<b>16,553</b>	25,906



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 14. WORK-IN-PROGRESS

#### 14. 在製品

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
THE GROUP	本集團		
Work-in-progress - contracted (note (a))	在製品－已訂約(附註(a))	9,183	7,184
Work-in-progress - not-contracted (note (b))	在製品－未訂約(附註(b))	19,809	14,459
Allowance for work-in-progress	在製品撥備	(3,872)	(2,323)
		<b>25,120</b>	19,320

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 2004, the carrying amount of work-in-progress that were carried at net realisable value amounted to RMB3,023,000 (2003: RMB1,292,000).

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) 於二零零四年十二月三十一日，以可變現淨值列賬之在製品賬面值為人民幣3,023,000元(二零零三年：人民幣1,292,000元)。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 15. 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:

		<b>2004</b>	2003
		二零零四年	二零零三年
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Within 90 days	90日內	<b>9,663</b>	1,584
91 - 180 days	91日至180日	<b>1,412</b>	50
181 - 365 days	181日至365日	<b>438</b>	-
		<b>11,513</b>	1,634

#### 16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in other receivables, deposits and prepayments at 31 December 2004 are deposits of RMB2,500,000 paid in respect of new drug technology from a minority shareholder of a subsidiary.

#### 15. 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：

#### 16. 其他應付款項、按金及預付款項

於二零零四年十二月三十一日，其他應付款項、按金及預付款項包括附屬公司少數股東就新藥品技術所支付之按金人民幣2,500,000元。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 17. AMOUNTS DUE FROM RELATED COMPANIES

Details of the amounts due from related companies are as follows:

Name of company	公司名稱	THE GROUP		THE COMPANY	
		本集團	本公司	2004	2003
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		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
Sanmenxia Sinoway Pharmaceutical Co., Ltd. ("Sinoway Pharmaceutical")	三門峽賽諾維製藥有限公司 (「賽諾維製藥」)	812	990	-	-
Venturepharm Inc. ("VP Inc.")	Venturepharm Inc. (「VP Inc.」)	1,580	1,661	25	25
		<b>2,392</b>	<b>2,651</b>	<b>25</b>	<b>25</b>

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

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

#### 17. 應收關連公司款項

應收關連公司款項之詳情如下：

兩間公司均為本公司主要股東之附屬公司。

有關款項為無抵押、免息及按要求時償還。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 18. SHARE CAPITAL

#### 18. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元	Shown in the financial statements 財務報表列示 RMB'000 人民幣千元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股			
Authorised:	法定股本:			
At the date of incorporation (note (i))	於註冊成立日期(附註(i))	500,000	50	53
Increase during the period (note (iii))	期內增加(附註(iii))	999,500,000	99,950	105,947
At 31 December 2003 and 31 December 2004	於二零零三年 十二月三十一日 及二零零四年 十二月三十一日	1,000,000,000	100,000	106,000
Issued and fully paid:	已發行及繳足			
Issue of share to initial subscriber (note (i))	向首次認購人士 發行股份(附註(i))	1	-	-
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))	22,294,733	2,229	2,363
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))	247,705,266	24,771	26,257
Issue of shares on placing (note (v))	因配售而發行股份 (附註(v))	90,000,000	9,000	9,540
At 31 December 2003 and 31 December 2004	於二零零三年 十二月三十一日 及二零零四年 十二月三十一日	360,000,000	36,000	38,160



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 18. 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 2004 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.

#### 18. 股本 (續)

於二零零二年五月二十一日(註冊成立日期)至二零零四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。





## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 19. SHARE OPTION SCHEMES

As at 31 December 2004, the Company operated 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 and 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.

#### 19. 購股權計劃

於二零零四年十二月三十一日，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之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%。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 19. SHARE OPTION SCHEMES (Continued)

- (ii) the Board may grant Options, generally and without further authority, in respect of such number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes in aggregate not exceeding 10 per cent. of the issued share capital of the Company at the Listing Date.

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\$1 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.

#### 19. 購股權計劃 (續)

- (ii) 董事會可一般及毋須進一步授權而授出涉及根據計劃及任何其他計劃授出之所有購股權獲行使而發行之股份數目之購股權，惟有關股份數目不得超過本公司於上市日期之已發行股本百分之十。

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1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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 19. SHARE OPTION SCHEMES (Continued)

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

	Exercise price	Exercisable period	Number of share options				
			Outstanding at 1.1.2003	Granted during the year	Outstanding at 1.1.2004	Granted during the year	Outstanding at 31.12.2004
	行使價	行使期	於二零零三年一月一日尚未行使	於年內授出	於二零零四年一月一日尚未行使	於年內授出	於二零零四年十二月三十一日尚未行使
Director 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	-	7,200,000	7,200,000	-	1,800,000
Other participants 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	-	2,520,000	2,520,000	-	2,520,000
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	-	1,800,000
			-	11,520,000	11,520,000	-	11,520,000

No share options were granted under the Share Option Scheme during the year and as at 31 December 2004.

#### 19. 購股權計劃 (續)

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：

	行使價	行使期	購股權數目				
			於二零零三年一月一日尚未行使	於年內授出	於二零零四年一月一日尚未行使	於年內授出	於二零零四年十二月三十一日尚未行使
董事	0.32港元	二零零三年六月二十日至 二零一三年六月十九日	-	7,200,000	7,200,000	-	1,800,000
其他參與者	0.32港元	二零零三年六月二十日至 二零一三年六月十九日	-	2,520,000	2,520,000	-	2,520,000
其他參與者	0.40港元	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	-	1,800,000
			-	11,520,000	11,520,000	-	11,520,000

於年內及截至二零零四年十二月三十一日，本公司並無根據購股權計劃授出任何購股權。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 20. RESERVES

#### 20. 儲備

		Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Con- tributed surplus 實繳盈餘 RMB'000 人民幣千元	Accumu- -lated (loss) profit 累計(虧損) 溢利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>THE COMPANY</b>	<b>本公司</b>					
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 Capitalisation issue during the period	因配售而發行股份 期內資本化發行	29,574	-	-	-	29,574
Expenses incurred in connection with the issue of shares	有關發行股份引致之開支	(20,529)	(5,728)	-	-	(26,257)
Net profit for the period	期內純利	(9,045)	-	-	-	(9,045)
At 31 December 2003	於二零零三年十二月三十一日	-	894	28,011	1,957	30,862
Final 2003 Dividend declared	宣派二零零三年末期股息	-	-	-	(1,908)	(1,908)
Net loss for the year	年內虧損淨額	-	-	-	(254)	(254)
At 31 December 2004	於二零零四年十二月三十一日	-	894	28,011	(205)	28,700

#### 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.

#### 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，惟須獲董事會及相關機構批准。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 20. RESERVES (Continued)

##### 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.

##### 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 and the additional contributions made by the minority shareholder of a subsidiary of the Company during the year.

##### Contributed surplus

The contributed surplus of the Company 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, capital reserve, contributed surplus and accumulated (loss) profit which in aggregate amounted to RMB28,700,000 (2003: 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 of dividend.

#### 20. 儲備 (續)

##### 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。

##### 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，以及本公司附屬公司少數股東於年內所作之額外注資。

##### 實繳盈餘

本公司之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、資本儲備、實繳盈餘及累計(虧損)溢利，合共人民幣28,700,000元(二零零三年：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。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 21. NON-CASH TRANSACTIONS

During the year ended 31 December 2004, work-in-progress of RMB2,625,000 (2003: nil) was transferred to new drug technology.

During the year ended 31 December 2003, 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.

#### 22. PLEDGE OF ASSETS

At 31 December 2004, the Company and the Group had pledged its bank deposits of RMB9,811,000 (2003: nil) and investments in securities of RMB16,553,000 (2003: nil) to a bank to secure general banking facilities granted to the Group. No utilisation of the general banking facilities at 31 December 2004.

#### 21. 非現金交易

截至二零零四年十二月三十一日止年度，在製品人民幣2,625,000元（二零零三年：無）已轉撥至新藥技術。

截至二零零三年十二月三十一日止年度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就收購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。

#### 22. 已抵押資產

於二零零四年十二月三十一日，本公司及本集團已抵押其銀行存款人民幣9,811,000元（二零零三年：無）和證券投資人民幣16,553,000元（二零零三年：無）予銀行，以作為授予本集團一般銀行信貸之抵押。於二零零四年十二月三十一日，並無動用任何一般銀行信貸。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 23. 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:

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Within one year	一年內	1,785	1,672
More than one year but within five years	一年以上但五年內	7,261	7,203
Over five years	超過五年	3,840	5,684
		<b>12,886</b>	14,559

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for an average term of ten years (2003: four years) and rentals are fixed for the lease term.

#### 24. 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 RMB705,000 (2003: RMB524,000) represents contributions payable to the scheme by the Group during the year.

#### 23. 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：

		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Within one year	一年內	1,785	1,672
More than one year but within five years	一年以上但五年內	7,261	7,203
Over five years	超過五年	3,840	5,684
		<b>12,886</b>	14,559

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十年（二零零三年：四年），而租約期內之租金乃固定。

#### 24. 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705,000元（二零零三年：人民幣524,000元），指本集團年內就計劃應付之供款。





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### 財務報表附註

For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度

#### 25. 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	2004	2003
		二零零四年 RMB'000 人民幣千元	二零零三年 RMB'000 人民幣千元
Sinoway Pharmaceutical 賽諾維製藥	Other operating income – Disposal of property, plant and equipment 其他經營收入 – 出售物業、廠房及設備	199	–
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	636	1,655

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

Balances with these related parties as at 31 December 2004 are set out in note 17.

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.

#### 26. GOVERNMENT GRANTS

During the year, the Group received a government subsidy of RMB291,000 (2003: nil) towards the research and development projects. The amounts have been included in other operating income for the year.

#### 25. 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。

於二零零四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17。

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。

#### 26. 政府資助

年內,本集團已收取政府就研究及開發項目而發出之補助金人民幣291,000元(二零零三年:無)。有關數額已於年內計入其他經營收入。



## FINANCIAL SUMMARY

### 財務概要

#### RESULTS

#### 業績

		Year ended 31 December 截至十二月三十一日止年度			
		2001	2002	2003	2004
		二零零一年	二零零二年	二零零三年	二零零四年
		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
Turnover	營業額	15,871	32,453	35,680	<b>36,157</b>
Profit before taxation	除稅前溢利	8,847	19,550	21,994	<b>11,480</b>
Taxation	稅項	-	(237)	(1,506)	<b>(881)</b>
Profit after taxation	除稅後但未計少數				
before minority interests	股東權益前溢利	8,847	19,313	20,488	<b>10,599</b>
Minority interests	少數股東權益	(376)	(186)	(128)	<b>84</b>
Profit for the year	本年度溢利	8,471	19,127	20,360	<b>10,683</b>

#### ASSETS AND LIABILITIES

#### 資產及負債

		At 31 December 於十二月三十一日			
		2001	2002	2003	2004
		二零零一年	二零零二年	二零零三年	二零零四年
		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
Total assets less current liabilities	總資產減流動負債	14,538	38,056	91,031	<b>102,135</b>
Minority interests	少數股東權益	(555)	(742)	(870)	<b>(3,190)</b>
Shareholders' funds	股東資金	13,983	37,314	90,161	<b>98,945</b>



## FINANCIAL SUMMARY

### 財務概要

Notes to the financial summary:

1. The results for each for the four years ended 31 December 2004 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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, 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 each of the two years ended 31 December 2003 and 2004 have been extracted from the audited consolidation income statement as set out on page 40 of the financial statements.
2. The combined balance sheet as at 31 December 2001 and 2002 have been extracted from the Company's Prospectus dated 30 June 2003. The consolidation balance sheets as at 31 December 2003 and 2004 have been extracted from the audited consolidated balance sheet as set out on page 41 of the financial statements.

財務概要附註：

1. 截至二零零四年十二月三十一日止四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香港聯合交易所有限公司創業板上市時已一直存在。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。截至二零零三年及二零零四年十二月三十一日止兩個年度各年之業績乃摘錄自財務報表第40頁所載之經審核綜合收益表。
2. 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。於二零零三年及二零零四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41頁所載之經審核綜合資產負債表。

