

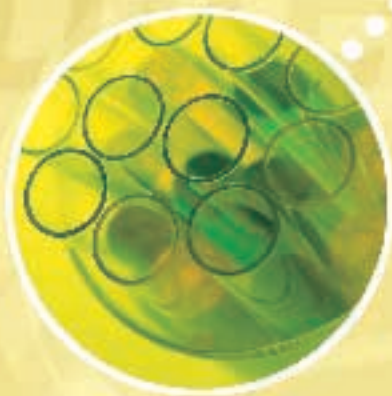


**Venturepharm Laboratories Limited**

**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)



Interim Report  
中期報告 **2005**

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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 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 Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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*This report, for which the directors of Venturepharm Laboratories Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; (3) all opinions expressed in this report have been arrived at after due and careful consideration and founded on bases and assumptions that are fair and reasonable.*

### 香港聯合交易所有限公司（「聯交所」） 創業板（「創業板」）之特色

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

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

創業板所發佈的資料的主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司一般毋須在憲報指定報章刊登付款公佈發佈資料。因此，有意投資的人士應注意彼等須閱覽創業板網頁，以便取得創業板上市發行人的最新資料。

聯交所對本報告的內容概不負責，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依賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則（「創業板上市規則」）的規定提供有關萬全科技藥業有限公司（「本公司」）的資料。本公司各董事（「董事」）對本報告共同及個別承擔全部責任。董事並在作出一切合理諮詢後確認，就彼等所知及所信：(1)本報告所載的資料在各重大方面均屬真確及完整，且無誤導成份；(2)並無遺漏任何其他事項，致使本報告所載的任何內容有所誤導；及(3)本報告表達的所有意見已經審慎周詳考慮後始行作出，並按公平合理的基準和假設為基礎。



## FINANCIAL HIGHLIGHTS

### 財務摘要

The Directors are pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005, together with the comparative figures.

#### FINANCIAL HIGHLIGHTS

1. The Group has demonstrated its success in its attempt to transform into an integrated pharmaceutical enterprise. The Group achieved a turnover of approximately RMB16,120,000, representing a 28 per cent increase compared with the corresponding period in 2004. Recorded operating profit of approximately RMB593,000 from sales of drug products launched under the Group's brand, representing a 31 per cent increase as compared with the operating profit for the corresponding period in 2004.
2. During the aforesaid period, the Group's gross profit attained approximately RMB8,629,000, representing a 20 per cent increase as compared with the corresponding period in 2004.
3. During the aforesaid period, the Group accomplished a net profit of approximately RMB3,457,000, representing a 21 per cent decline with the corresponding period in 2004. The lower net profit was mainly due to the non-operation transactions, such as the decline of other operating income.
4. During the aforesaid period, the Group entered into 15 technology transfer and service contracts of approximately RMB10,613,000, and 19 clinical research service contracts of approximately RMB16,591,000 as at 30 June 2005.
5. Basic earning per share amounted to RMB0.96 cents for the six months ended 30 June 2005.
6. The Directors have not recommended payment of any interim dividend for the six months ended 30 June 2005.

董事會欣然公布本公司及其附屬公司（「本集團」）截至二零零五年六月三十日止六個月之未經審核中期報告連同比較數字。

#### 財務摘要

1. 本集團錄得營業額約人民幣16,120,000元，較二零零四年同期之營業額增加28%。銷售以本集團品牌推出之藥物錄得約人民幣593,000元經營溢利，較二零零四年同期之經營溢利增加31%。此顯著增長充分顯示了本集團轉型至整合型制藥公司之策略獲得成功；
2. 本集團錄得營業毛利約人民幣8,629,000元，較去年同期增長20%；
3. 本集團錄得純利約人民幣3,457,000元，較去年同期下降21%，其主要原因是由於非日常經營性收益減少之緣故，如為其他經營收入減少所致；
4. 截至二零零五年六月三十日，本集團訂立15份金額約達人民幣10,613,000元之技術轉讓及藥物開發服務合同，並訂立了19份臨床研究服務合同，金額約達人民幣16,591,000元；
5. 截至二零零五年六月三十日止六個月之每股基本盈利約為人民幣0.96分；
6. 董事不建議派發截至二零零五年六月三十日止六個月之中期股息。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### FINANCIAL REVIEW

For the period ended 30 June 2005, the Group achieved a turnover of approximately RMB16,120,000, which represented an increase of 28 per cent as compared with that of the corresponding period in 2004. The expansion in contracted pharmaceutical development and clinical research services outsourced by customers ("CRS") and Royalty Income to the overall turnover growth of the Group was fast during the period.

Set out below is a breakdown in turnover from six lines of services of the Group during the aforesaid period and corresponding growth rate from the same period last year:

#### 財務回顧

截至二零零五年六月三十日止六個月，本集團錄得營業額約人民幣16,120,000元，較二零零四年同期之營業額上升28%。於回顧六個月內，本集團錄得營業額增長主要來自臨床研究服務之收入和特許權之收入之增長。

本集團於回顧六個月內六個業務單位之營業額及較二零零四年同期之營業額比較如下：

		Six months ended 30 June 未經審核截至 六月三十日止六個月		Growth from the corresponding period last year 較二零零四年 同期之增長
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	% %
Technology transfer ("Technology Transfer")	轉讓新藥技術及新藥開發	4,262	3,068	39%
Contracted pharmaceutical development and clinical research services associated with technology transfer ("PDS")	有關技術轉讓之已訂約藥物開發及臨床研究服務	6,382	6,198	3%
Contracted pharmaceutical development and clinical research services outsourced by customers ("CRS")	客戶外判之已訂約藥物開發及臨床研究服務	4,564	2,470	89%
Royalty income	特許權之收入	593	451	31%
Import registration services	進口註冊服務	171	380	-55%
Active pharmaceutical ingredient ("API")	有效藥劑成分業務	148	-	-
		<b>16,120</b>	<b>12,567</b>	<b>28%</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Group achieved a gross profit of approximately RMB8,629,000, which represented an increase of 20 per cent compared with the corresponding period in 2004. The Group's overall gross profit margin was 53.5 per cent for the period under review, declining from that of 57.4 per cent for the corresponding period in 2004. The decline in gross profit margin was mainly attributable to decreasing proportion from PDS, a line of service which has higher profit margin but limited revenue and profit scalability. The Group has carried out a business strategy to de-emphasize technology transfer and related service so as to keep the new product in-house for future commercialization.

本集團錄得營業毛利約人民幣8,629,000元，增長20%；本集團之整體毛利率為53.5%，上年度則為57.4%。毛利率減少主要由於與業務轉型策略相符，本集團藥物開發服務之收入的比重下降之原因所致，惟其具較高毛利但對收益及溢利增長有所限制。

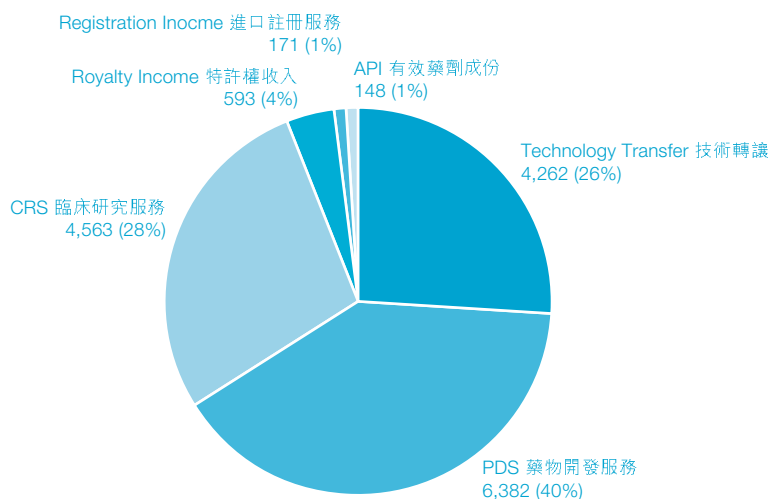
Turnover contribution from 6 lines of services of the Group:

本集團六個業務單位之營業額細分如下：

### Revenue Breakdown for 30 June 2005

#### 2005年6月30日收入細分

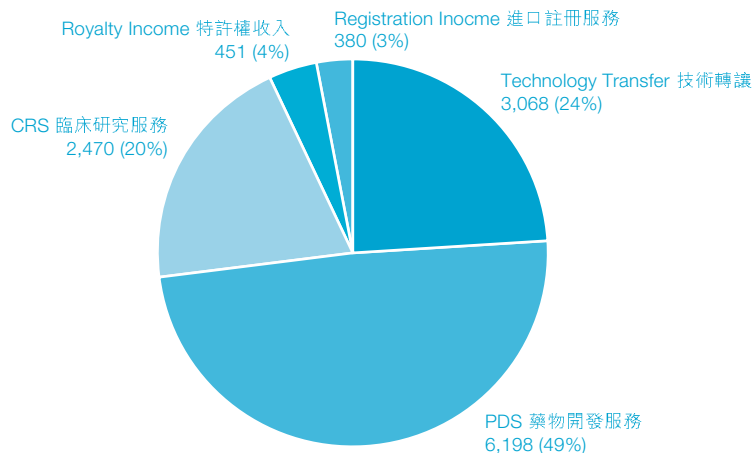
Unit: '000/RMB  
單位：千元／人民幣



### Revenue Breakdown for 30 June 2004

#### 2004年6月30日收入細分

Unit: '000/RMB  
單位：千元／人民幣





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

General and administrative expenses increased by 18 per cent to approximately RMB4,888,000. The increase was attributable to the followings: (1) staffing cost increase of approximately RMB102,000 resulted from increase in total staff number and recruitment of more professional staff; (2) administrative expenses increase of approximately RMB148,000 resulted from the enlarged area and related water, electronic expenses; (3) amortization of the intangible assets increase of approximately RMB160,000.

For the period ended 30 June 2005, the Group recorded a profit attributable to shareholders of approximately RMB3,457,000, representing a decline of 21 per cent as compared to that of approximately RMB4,378,000 for the corresponding period in 2004. The decline was mainly attributable to the lower interest income generated from surplus funds during the period.

#### BUSINESS REVIEW

During the period, the Group continued to actively transform its business platform to be one of the full scale and integrated pharmaceutical enterprises and to emphasize on drug development, product commercialization and pipeline building.

#### Research and Development

The Group's portfolio covers all major and high growth therapeutic areas such as diabetes, CNS(精神神經系統), cardiovascular disease, dermatosis, cancer, AIDS and allergy.

一般及行政開支增加18%至約人民幣4,888,000元。行政開支上升歸因於：(1) 員工總數增多及增聘專業人員之緣故，令員工成本攀升約人民幣102,000元；(2) 增加的辦公面積及相關水電費支出，令行政開支攀升約人民幣148,000元；(3) 無形資產之攤銷導致費用攀升約人民幣160,000元。

截至二零零五年六月三十日止期間，本集團錄得股東應佔溢利約人民幣3,457,000元，較上年度同期約人民幣4,378,000元減少21%。其主要原因是由於非日常營業性的收益如盈餘資金之利息收入減少所致。

#### 業務回顧

於過去的六個月，本集團基於長期發展考慮，繼續依據從領先的技術轉讓供應商轉變為集藥物開發及產品商化為一體的業務轉型策略不斷擴充產品線以及加快建立市場網絡以便迅速佔領市場份額，而不是一味追求眼前利益。

#### 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、精神神經系統疾病、心血管疾病、皮膚病、癌症、愛滋病及過敏症。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Group's R&D strength still remained the leading position in the industry. The Group initiated 50 new projects in the first half year of 2005 and till now, the Group has 113 products under development. During the period, the Group has 55 new products were submitted to the State Food and Drug Administration ("SFDA") for Clinical Study Permits ("CSP's") while there are 31 new products were submitted in the same period last year. By the end of 30 June 2005, the SFDA granted 19 new Clinical Study Permits and 9 new Manufacturing Permits to the Group. The total number of CSP's accumulated by the Group climbed to 197 and the total number of Manufacturing Permits accumulated by the Group climbed to 53.

The following graph sets out the total numbers of clinical permits and manufacturing permits obtained by the Group during the past years:

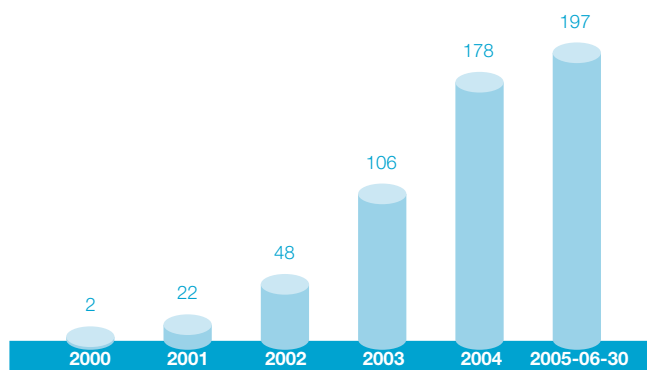
隨著不斷的大力投入，本集團一直保持在新藥研發市場之優勢地位。本集團於二零零五年上半年展開50個新項目，目前集團有在研藥品113個。於本期內，本集團有55種新產品已向國家食品藥品監督管理局（「食品藥品監督局」）申請臨床研究許可證（「臨床研究許可證」），相比去年同期有31個新產品提交申請。截至二零零五年六月三十日，本集團已獲食品藥品監督局批出19張新臨床研究許可證及9張新生產許可證。本集團獲發之臨床研究許可證總數已累積至197張，獲發之生產許可證總數已累積至53張。

本集團所獲之臨床研究許可證和生產許可證如下：

#### Clinical Study Permit

臨床研究許可證

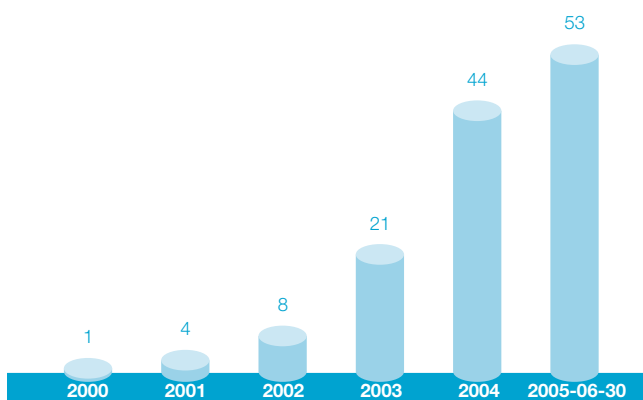
Unit  
個



#### Manufacturing Permit

生產許可證

Unit  
個





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Sales and Marketing

During the six months ended 30 June 2005, the Group successfully signed 15 technology transfer and PDS contracts with total value of approximately RMB10,613,000, including approximately RMB4,262,000 for technology transfer, and entered into 19 CRS contracts amounting to total value of approximately RMB16,591,000, which represented 22 per cent and 23 per cent respective increases in term of contract value compared with the corresponding period in 2004.

Meanwhile, the Group continued to invest in building up its marketing capacity and sales network, and launched new drug products under “Venturepharm 萬全”-branded name into the PRC market.

The Group launched the API service line both in the PRC and overseas markets. In the reporting period, the Group has contracted with 34 clients including 7 overseas clients.

Several services contracts were signed with foreign companies pertaining to drug and medical device registration services.

#### Patents

The Group continued to place great emphasis on the protection of intellectual property rights during the reporting period. Up to 30 June 2005, the Group had submitted 63 patent applications.

#### PROSPECTS

In the reporting period, the Group has made solid progresses in establishing its capacities and improving performance in production, marketing/sales, and pharmaceutical services sectors.

#### 銷售及市場推廣

於截至二零零五年六月三十日止六個月期間，本集團成功簽訂15份技術轉讓及與本集團技術轉讓相關之藥品開發服務合約，總值約人民幣10,613,000元，其中包括約人民幣4,262,000元之技術轉讓合約。本集團亦訂立19份總值約為人民幣16,591,000元之臨床研究合同。就合同價值而言，分別比去年同期相比增加22%及23%。臨床研究服務合約之增長乃擴張CRS業務之成果。

本集團不斷在增強市場推廣能力及拓展市場網絡方面作出投資，並以萬全品牌在本土市場推出新藥品。

本集團亦致力開發有效藥劑成份之本土及海外市場銷售。於報告期內，本集團已與34位客戶簽訂銷售協定，其中包括7位為海外客戶，向海外銷售萬全品牌之產品。

本集團與外國公司簽訂多份有關藥物及醫療設備註冊服務之服務合同。

#### 專利

本集團一向注重保護知識產權。本公司由成立至二零零五年六月三十日止共提交63份專利申請。

#### 展望

於報告期間，本集團在生產、市場推廣／銷售及藥品服務之鞏固能力及提升表現方面取得良好進展。





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Group has successfully established its nationwide prescription drug marketing/sales network. The profit earning potential and market performance will continue to grow with introduction of new prescription products in several therapeutic fields into the domestic market. Substantial revenue is expected to materialize in remaining periods of 2005.

Since the beginning of 2004, CRS sector shows rapid growth in domestic market. Adopting an expansion strategy, the Group's CRS has actively broadened its client bases and improved its service level. Its CRS unit has enjoyed a business growth and experienced a significant profit earning, especially when compared to its previous quarter and the same period of last year's performance.

The Group's technical marketing team utilizes various channels to explore new customers in need of technical services in products development.

The Group will continue to capitalize on various resources to maintain its leading position in new drugs R&D and PDS services in China. The Group expects a business growth and improved profit earning performance in the remaining periods of 2005.

#### DIVIDEND

The Directors have not recommended payment of any interim dividend for the six months ended 30 June 2005.

#### SIGNIFICANT INVESTMENTS

The Company invested its surplus fund through its principal bank in investment grade target redemption bond and such balance was 16,553,000 as at 30 June 2005.

本集團成功在全國建立其處方藥物之市場推廣／銷售網絡。隨著本集團在本地市場新推出多類療效之處方產品，盈利潛力及市場表現將不斷提升。預期二零零五年餘下時間會錄得理想收益。

自二零零四年初起，臨床研究服務業務在本地市場迅速發展。本集團採取拓展策略，其CRS業務積極擴闊客戶基礎提高服務水平。本集團之CRS部門已取得業務增長，並錄得可觀盈利，表現較上季度及往年同期有顯著進步。

本集團專業市場推廣隊伍透過不同渠道招徠在產品開發方面需要技術服務之新顧客。

本集團將繼續利用各種資源維持其於中國新藥研發及藥物開發服務市場之領導地位。本集團預期二零零五年餘下期間業務發展理想，盈利能力亦會提升。

#### 股息

董事不建議派發截至二零零五年六月三十日止六個月之中期股息。

#### 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，於二零零五年六月三十日金額為16,553,000。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

#### 業務目標與實際業務進展比較

Business objectives for the period from 1 January 2005 to 30 June 2005 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  
二零零五年一月一日至  
二零零五年六月三十日止之業務目標

#### Actual Business Progress 實際業務進展

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

1. To achieve total number of 370 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370個：

- Pre-Clinical and pending Clinical Study Permits (177).  
臨床前研究及待批臨床研究許可證(177)。
- Pending New Drug Certificates/Drug Manufacturing Permits or Approvals for Standardized Drugs (96).  
待批新藥證書／藥品生產許可證／標準藥品批文(96)。
- New Drug Certificates/Drug Manufacturing Permits or Approvals for Standardized Drugs obtained (97).  
已獲發新藥證書／藥品生產許可證／標準藥品批文(97)。

During the reporting period, 19 new Clinical Study Permits were obtained. As at 30 June 2005, accumulatively 197 Clinical Study Permits were obtained.

於報告期間，本集團已取得19張新臨床許可證。截至二零零五年六月三十日，本集團獲得之臨床許可證累積總數為197張。

During the reporting period, 9 new Manufacturing Permits were obtained. As at 30 June 2005, accumulatively 53 Manufacturing Study Permits were obtained.

於報告期間，本集團已取得9張新生產許可證，截至二零零五年六月三十日，本集團獲得之生產許可證累積總數為53張。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Business objectives for the period from 1 January 2005 to 30 June 2005 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  
二零零五年一月一日至  
二零零五年六月三十日止之業務目標

2. Start 30 new projects for in-house pre-clinical studies. Therapeutic indications for these drug projects are expected to include those principal therapeutic areas identified in earlier period.  
開始30個新專案，用於內部臨床前研究。該等藥品專案之治療適應症預期包括較早期間所確定之主要治療範圍。
3. Evaluate pre-clinical works for Category A drug projects.  
評估A類藥品項目之臨床前工作。
4. File 4 product technology 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。

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

1. Continue to recruit and train additional marketing and sales professionals, and set up sales support offices in the PRC.  
續招募及培訓額外專業市場推廣及銷售人員，並在中國設立銷售支援辦事處。
2. 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"-branded 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。

#### Actual Business Progress 實際業務進展

The Group initiated 50 new projects in the reporting period.  
於報告期間，本集團展開50個新項目。

So far there are 6 Category A projects under development.  
至今，6個A類藥品項目正在開發。

The Group had submitted 63 patent applications since its inception to 30 June 2005.  
本集團由成立至二零零五年六月三十日止共提交63份專利申請。

The Group has recruited 31 marketing professionals focusing on different regions of the market.  
本集團已招募31名專業市場推廣人員，分別負責不同市場區域。

Cooperation with various production partners, which mainly include Sanmenxia Sinoway Pharmaceuticals Co. Ltd., in the production of the Group's "Venturepharm 萬全"-branded drug products continued during the reporting period.  
繼續與三門峽賽諾維製藥有限公司等製藥生產廠商合作生產本集團之以「Venturepharm 萬全」為品牌之藥物產品。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Business objectives for the period from 1 January 2005 to 30 June 2005 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  
二零零五年一月一日至  
二零零五年六月三十日止之業務目標

#### Manufacturing 製造

1. Continue to manufacture the Group's drug products in its own manufacturing facilities.  
繼續在本集團本身的生產設施製造本集團藥品。

#### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARY AND ASSOCIATED COMPANIES

No material acquisition nor material disposal of subsidiaries and associated companies were made by the Group during the reporting period.

#### CONTINGENT LIABILITIES

As at 30 June 2005, the Group did not have any contingent liabilities.

#### CHARGE ON ASSETS

As at 30 June 2005, the Group pledged its bank deposits of RMB6,023,000 and investment in securities of RMB16,553,000 as securities for the general banking facilities granted to the Group.

#### Actual Business Progress 實際業務進展

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。

#### 重大收購及出售附屬公司及聯屬公司

本六個月內並無對附屬公司及聯屬公司進行重大收購及出售。

#### 或然負債

於二零零五年六月三十日，本集團並無任何或然負債。

#### 資產抵押

於二零零五年六月三十日，本集團已抵押其銀行存款人民幣6,023,000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。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### 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 plans for material investments or capital assets.

#### LIQUIDITY AND FINANCIAL RESOURCES

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 30 June 2005, the Group's current assets amounted to about RMB80,467,000 of which approximately RMB18,047,000 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.

#### CAPITAL STRUCTURE

There has not been any change to the capital structure of the Company since that date.

#### FOREIGN EXCHANGE EXPOSURE

During the period under review, the Group's transactions were substantially denominated in Renminbi ("RMB") and about 49 per cent 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 need arise.

#### 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，本集團並無任何重大投資或資本資產計劃。

#### 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。於二零零五年六月三十日，本集團之流動資產約為人民幣80,467,000元，當中約人民幣18,047,000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。

#### 資本結構

自該日以來，本公司之資本結構並無任何變動。

#### 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49%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 DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### EMPLOYEES

The total number of employees in the Group was 254 as at 30 June 2005. 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.

#### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company or any of its subsidiaries didn't purchase, sell or redeem any of the Company's listed shares during the six months ended 30 June 2005.

#### DIRECTORS' INTEREST IN SECURITIES

As at 30 June 2005, the interests and short positions of the directors, chief executives of the Group and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provision 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 GEM Listing Rules were as follows:

#### 僱員資料

於二零零五年六月三十日，本集團合共有254員。本集團之薪酬政策基本上按僱員之個人表現厘定。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。

#### 購買、出售或贖回本公司股份

本公司或其任何附屬公司於截至二零零五年六月三十日止六個月並無購買、出售或贖回本公司任何上市股份。

#### 董事之證券權益

於二零零五年六月三十日，本集團之董事及主要行政人員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部分知會本公司及聯交所之權益及淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及淡倉）；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)根據創業板上市規則第5.41條至5.49條所述之權益及淡倉如下：



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

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

於本公司股份及相關股份之好倉

##### (1) The Company

##### (1) 本公司

Name 姓名	Type of Interest 權益類別	Capacity 身份	Number of shares in which interested (other than under equity derivatives) 持有權益之股份數目 (股本衍生工具除外)	Number of shares in which interested under physically settled equity derivatives 根據實物結算 股本衍生工具 持有權益之股份數目 (Note 3) (附註3)	Total number of shares 股份總數	Approximate percentage of interest 權益概約 百分比
William Xia GUO 郭夏	Personal 個人	Beneficial owner 實益擁有人	9,110,377	7,200,000	16,310,377	4.53
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled Corporation (Note 1) 受控制法團的權益(附註1)	149,432,583	–	149,432,583	41.51
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled corporation (Note 2) 受控制法團的權益(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. Guo Xia and 34.68 per cent held by Mr. Guo Xia through Winsland Agents Limited, his wholly and beneficially owned company incorporated in British Virgin Islands.

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

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

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

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:

Name 姓名	Number of shares in which interested under physically settled equity derivatives as at 20 June 2003 and 30 June 2005 於二零零三年六月二十日及 二零零五年六月三十日 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 exercise 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.

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:

授予各人的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%的購股權，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%的購股權，而餘下的購股權則可於二零零五年十二月三十一日後行使。有關購股權將於授出日期後十年屆滿。各承授人亦已向聯交所承諾，於上市日期起計首12個月內，彼等不會行使彼等根據首次公開發售前購股權計劃獲授的購股權。





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

(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 interest of shareholding in joint venture 於合營企業 股權權益的 概約百分比
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled Corporation (Note 1) 於一間受控制法團之權益 (附註1)	US\$111,000 111,000美元	12.83 12.83

Note 1: The interest is held by Beijing Venturepharm Biotech Pharmaceutical Technology Company Limited, a limited liability company incorporated in 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 Xue-meì SONG.

附註1: 股權由北京萬全生物醫藥科技有限公司持有。該公司為一家於中國註冊成立之有限公司，其99%股權由郭夏先生實益持有及宋雪梅博士持有1%。

Save as disclosed above, as at 30 June 2005, none of the directors and chief executive had any interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision 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 the rules 5.41 to 5.49 of the GEM Listing Rules.

除上文所披露者外，於二零零五年六月三十日，董事及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）之任何證券中擁有(a)根據證券及期貨條例第XV部第7及第8部分須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例之該等條文而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權益或淡倉，或(c)根據創業板上市規則第5.41條至5.49條之規定之權益或淡倉。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### SUBSTANTIAL SHAREHOLDERS

So far as it is known to any directors, chief executives of the Company, as at 30 June 2005, the interests and short positions of persons in the shares and underlying shares of the Company which would fall to be disclosed pursuant to Division 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	Number of Shares 股份數目	Approximate percentage of interest 權益概約 百分比
Venturepharm Holdings Inc. (Note 1) (附註1)	Beneficial owner 實益擁有人	149,432,583	41.51
Venturepharm Holdings Inc. (Note 2) (附註2)	Interest of a controlled corporation 於一間受控制法團之權益	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 interest of controlled corporations 實益擁有人及於受控制法團之權益	181,709,033	50.48

Note 1: Venturepharm Holdings Inc. is 47.63 per cent directly held by Mr. Guo Xia and 34.68 per cent held by Mr. Guo Xia through Winsland Agent 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

據本公司任何董事及主要行政人員所知，於二零零五年六月三十日，以下人士持有本公司之股份或相關股份中的權益及淡倉而須根據證券及期貨條例第XV部第2及第3部分作出披露，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: 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，並由郭先生全資實益擁有之公司)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)。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Save as disclosed above, as at 30 June 2005, there was no other persons who recorded in the register of the Company as having interest or short position in the shares or underlying shares of the Company which would fall to be disclosed 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.

除上文所披露者外，於二零零五年六月三十日，概無記錄於本公司名冊內之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分部須予披露之權益或淡倉，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及淡倉。

#### SHARE OPTION SCHEMES

#### 購股權計劃

##### 1. Pre-IPO Share Option Scheme

##### 1. 首次公開售股前購股權計劃

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 recognize and reward the contribution of certain directors, senior management and advisers, the details of which are set out in the paragraph head "Share Option Scheme" 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 30 June 2005, 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 that had been granted under the Pre-IPO Share Option Scheme as at 30 June 2005 are as follows:

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一購股權計劃（「首次公開售股前購股權計劃」），以肯定及嘉獎若干董事、高級管理人員及顧問之貢獻，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。於二零零五年六月三十日，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、注銷或失效。於二零零五年六月三十日，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載列如下：

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 授出日後購股權之 可予行使期限	Exercise price per shares 每股行使價	Number of underlying shares under the option as at 20.6.2003 and 30.6.2005 於二零零三年六月 二十日及二零零五年 六月三十日購股權 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
2 other participants (Note 1&2) 兩名其他參與者 (附註1及2)	10 years 十年	HK\$0.32 0.32港元	2,520,000
1 other participant (Note 3) 名其他參與者 (附註3)	10 years 十年	HK\$0.40 0.40港元	1,800,000
			11,520,000



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

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 advisor 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.

附註1: 彼等獲授之購股權均附帶歸屬時間, 據此, 彼等各自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%的購股權(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%的購股權, 而餘下的購股權則可於二零零五年十二月三十一日後行使。

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的購股權。

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%的購股權, 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%的購股權, 而餘下的購股權則可於二零零四年十二月三十一日後行使。有關承授人已向聯交所承諾, 於上市日期後首6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。

#### 2. 購股權計劃

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

As at 2 March 2005, options comprising a total of 4,042,000 underlying shares were granted. As at 30 June 2005, the options outstanding are 4,042,000 and no options granted pursuant to the Share Option Scheme had been exercised, cancelled or lapsed. Particulars of the outstanding options which have been granted under the Share Option Scheme as at 30 June 2005 are as follows:

於二零零五年三月二日，本公司已授出涉及合共 4,042,000 股相關股份之購股權。於二零零五年六月三十日，4,042,000 份購股權尚未行使，且根據購股權計劃授出之購股權概無行使、注銷或失效。於二零零五年六月三十日，根據購股權計劃授出但未行使之購股權詳情如下：

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 授出日後購股權之 可予行使期限	Exercise price per shares 每股行使價	Number of underlying shares under the option at 20.6.2003 and 30.6.2005 於二零零三年六月 二十日及二零零五年 六月三十日購股權 所涉及之相關股份數目
William Xia GUO 郭夏	10 years 十年	HK\$0.52 0.52港元	360,000
Other directors 董事	10 years 十年	HK\$0.52 0.52港元	1,152,000
Other participant 其他	10 years 十年	HK\$0.52 0.52港元	2,530,000
			4,042,000

#### COMPETING INTERESTS

As at 30 June 2005, none of the Directors or the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

#### SPONSOR'S INTEREST

As at 30 June 2005, 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.

#### 競爭性權益

於二零零五年六月三十日，本公司之董事或管理層股東及彼等各自之聯繫人士（定義見創業板上規規則）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

於二零零五年六月三十日，本公司保薦人中國光大融資有限公司（「中國光大」）、其董事、僱員或彼等各自之任何聯繫人士（定義見創業板上規規則）概無於本公司任何證券中佔有任何權益。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

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

#### CORPORATE GOVERNANCE

##### (1) Corporate governance practices

The Company applied the principles and fully complied with the Code Provision as set out in Appendix 15 of the GEM Listing Rules ("CG Code") with certain deviations save as disclosed in respect of (1) the roles of chairman and chief executive officer and (2) the remuneration committee. The following summarizes the Company's corporate governance practices and explains deviations, if any, from the CG Code.

##### (2) Directors' securities transactions

The Company has adopted the Company Code for Securities Transactions by Directors of Listed Issuers in compliance with the provisions that are set out in the GEM Listing Rules as its own code of conduct for Directors' dealings of securities since 29 June 2005. Specific enquiries have been made with all Directors and the Directors confirmed that they have complied with the required standard set out in the Company Code in the period from 1 January 2005 to 30 June 2005.

根據本公司與保薦人中國光大於二零零四年五月二十七日訂立之協議，中國光大於二零零四年五月二十七日起（包括該日）至二零零五年十二月三十一日（包括該日）或此協議終止日期間擔任本公司之保薦人，並經已及將會就此收取費用。

#### 企業管治

##### (1) 企業管治常規

本公司依循原則，並遵守創業板上市規則附錄十五的《企業管治常規守則》中所有規定，當中只有數項偏離，是有關主席及行政總裁角色及董事薪酬。以下概述本公司的企業管治常規及闡釋偏離《企業管治常規守則》的事項（如有）。

##### (2) 董事的證券交易

本公司已採納載於上市規則有關上市公司董事進行證券交易的標準守則，作為本公司董事買賣證券之標準守則，生效日期為二零零五年六月二十九日。本公司經向所有董事明確查詢後，並不知悉有不遵守上述規定交易準則之董事進行證券交易之操守守則之情況。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### (3) Board of directors

The overall governance structure of the Company is set out below:

### (3) 董事會

以下列載本公司的整體管治架構：





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Notes:

- (a) The Non-Executive Directors of the Company during the period and up to the date of this report are:

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

- (b) Apart from Nathan Xin ZHANG and Wang Hongbo, which do not have a service contract, each of the 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.
- (c) Save as disclosed above, no directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Board of Directors ("Board") of the Company is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value.

The Board of the Company comprises a total of nine Directors, with three Executive Directors, three Non-executive Directors and three Independent Non-executive Directors. One-third of the Board is Independent Non-executive Directors and one of them has appropriate professional qualifications. Reviews are made regularly of the Board composition to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. All Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

#### 附註:

- (a) 年內及截至本報告日期止本公司之非執行董事為:

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)

- (b) 除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。
- (c) 除上文所披露者外,擬於應屆股東周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。

本公司董事會(「董事會」)共同負責監督本集團業務及不同事務的管理工作,確保達致提升股東價值的目標。

本公司董事會由九位董事組成,包括三位執行董事,三位非執行董事及三位獨立非執行董事,三分之一董事會成員為獨立非執行董事及一位獨立非執行董事具備適當專業資格。本公司將定期檢討董事會之組成,確保其具備適當及所需之專長、技能與經驗以應本公司業務之需求。本公司認為所有獨立非執行董事皆符合載於上市規則第3.13條之獨立新指引,並根據該指引條文屬獨立人士。





## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Board, led by the Chairman, is responsible for the approval and monitoring of the Group's overall strategies and policies; approval of annual budgets and business plans; evaluating the performance of the Group; and oversight of management. One of the important roles of the Chairman is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. All Directors have been consulted about any matters proposed for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner.

Regular Board meetings of the year are scheduled in advance to give all Directors an opportunity to attend. Four regular Board meetings at approximately quarterly intervals have been scheduled for 2005. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Company's Articles of Association.

Board papers are circulated not less than seven days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings. The Company Secretary and the Qualified Accountant shall attend all regular Board meetings to advise on corporate governance, statutory compliance, accounting and financial matters when necessary. Directors shall have full access to information on the Group and are able to obtain independent professional advice whenever deemed necessary by the Directors. The Company Secretary assists the Chairman in establishing the meeting agenda, and each Director may request inclusion of items in the agenda. Minutes of the board meetings are kept by the Company Secretary and are open for inspection by Directors.

在主席領導下，董事會負責批准及監察本集團的整體策略及政策、批准年度預算及業務計劃，評估集團表現，以及監察管理層的工作。主席其中一項主要職能為領導董事會，確保董事會以符合本集團最佳利益的方式行事。足協須確保董事有效運作及履行應有職責，並就各項重要及適當事務進行適時討論。所有董事均經諮詢以提出任何商討事項列入會議議程。在執行董事及公司秘書協助下，主席將確保所有董事獲簡報各項在董事會會議上提出的問題，並適時獲得足夠與可靠的資料。

每年定期召開之董事會會議均預早訂立有關舉行日期，使各董事有充裕時間及機會出席。本公司已訂於二零零五年內定期召開四次董事會會議，約每季一次。董事可親身或以本公司組織章程所訂明的其他電子通訊方式出席會議。

為確保董事對董事會會議之討論事項具備充分資料以作出決定，會議文件均於會議召開前送交全體董事。公司秘書及合資格會計師均出席各董事會定期會議，於有需要時就企業管治、條例監管、跨機及財務等事宜向董事會提供意見。董事認為有需要時可隨時獲取集團資料及獨立的專業意見。於董事會會議上經討論及決議之事項均由公司秘書詳細記錄及存檔。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the six months ended 30 June 2005, the Board met and held two meetings in March and May 2005. The attendance records of the aforementioned two Board meetings are set out below:

董事會定期開會，於二零零五年三月及五月合共召開兩次會議，約季度一次，出席率為百分之一百。

#### Attendance of individual Directors at board meeting during the period

2005年半年期間董事會會議個別董事的出席率

	Attendance No 出席次數	Attendance Rate 出席率
<b>Executive Directors</b>		
<b>執行董事</b>		
William Xia GUO 郭夏	2/2	100%
Maria Xuemei SONG 宋雪梅	2/2	100%
David Xuesong GAO 高雪松	2/2	100%
<b>Non-executive Directors</b>		
<b>非執行董事</b>		
FENG Tao 馮濤	2/2	100%
WU Xin 吳欣	2/2	100%
Nathan Xin ZHANG 張欣	2/2	100%
<b>Independent Non-executive Directors</b>		
<b>獨立非執行董事</b>		
WU Ming Yu 吳明瑜	2/2	100%
Paul CONTOMICHALOS	2/2	100%
WANG Hongbo 王紅波	2/2	100%



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### (4) Chairman and chief executive officer

Chairman of the Board is responsible for the leadership and effective running of the Board, and ensures that all keys and appropriate issues are discussed by the Board in a timely and constructive manner.

However, the Chief Executive of the Company has not yet been appointed. Currently, the day-to day management of the Company's business is handled by the executive directors and senior management, who take the responsibility to run the Group's business and to implement the Group's strategy so as to achieve the overall commercial objectives of the Company.

In order to comply with CG Code, the Directors will discuss the appointment of a chief executive during the upcoming Board meeting dated 8 August 2005.

#### (5) Remuneration of directors

Currently, the Remuneration Committee comprises the Chairman of the Board Mr. William Xia GUO, a Non-executive Director Mr. Tao FENG and an Independent Non-executive Director Mr. Paul CONTOMICHALOS. Mr. William Xia Guo is the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

#### (4) 主席及行政總裁

董事會主席負責領導董事會，並使其有效運作，同時確保董事會以適時及具建設性的方式討論所有主要及適當的事項。

行政總裁尚未委任。公司日常管理由執行董事和高級管理層共同行使。他們負責管理集團業務，執行集團策略，以達致整體商業目的。

為確保完全遵守《企業管治常規守則》，董事建議在2005年8月8日召開的董事會議上討論行政總裁的任命事宜。

#### (5) 董事薪酬

薪酬委員會現時成員包括本公司主席郭夏先生，一位非執行董事馮濤先生以及一位獨立非執行董事Paul CONTOMICHALOS先生。郭夏先生為薪酬委員會主席。

薪酬委員會之主要職責包括就本公司董事及高級管理人員之薪酬政策及架構向董事會作出建議，並參照董事會不時通過之企業目標，檢討全體執行董事與高級管理人員之特定薪酬待遇。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

In order to comply with CG Code, the Directors will discuss the appointment of an Independent Non-executive Directors to replace Mr. Tao FENG in the Remuneration Committee during the upcoming Board meeting dated 8 August 2005. Subsequent to the aforesaid appointment, Independent Non-executive Directors will comprise majority of the Remuneration Committee.

#### (6) Nomination of directors

In accordance with the Company's Articles of Association, nomination of directors is determined by the Board with approvals by the shareholders in the general meeting.

#### (7) Auditors' remuneration

The annual general meeting approved the reappointment of Deloitte Touche Tohmatsu and that the Board is and be hereby authorized to fix auditor's remuneration. Non-audit services was not provided by the auditor to the Company during the six months ended 30 June 2005.

#### (8) Audit committee

The audit committee was established with written terms of reference in compliance with 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.

為確保完全遵守《企業管治常規守則》，董事建議在2005年8月8日召開的董事會議上討論任命一名獨立非執行董事替代原先之非執行董事馮濤先生為薪酬委員會之成員。至此，獨立非執行董事將構成薪酬委員會成員之絕大多數。

#### (6) 董事提名

本公司尚未成立提名委員會，按照本公司組織章程所訂明的，董事由董事會提名並由周年股東大會批准。

#### (7) 核數師酬金

股東週年大會上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，並授權於董事會核定核數師酬金。核數師並未提供非核數服務。

#### (8) 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。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The audit committee hold meetings on quarterly basis. During the six months ended 30 June 2005, the audit committee held two meetings during the period and reviewed the Group's quarterly and interim financial results. The attendance records of the aforementioned two audit committee meetings are set out below:

#### Attendance of member at audit committee during the period

##### Member

##### 成員

WU Ming Yu

吳明瑜

Paul CONTOMICHALOS

WANG Hongbo

王紅波

審核委員會定期開會，約季度一次。審核委員會於本期間已舉行二次會議，已審閱本集團截至二零零五年六月三十日止六個月之中期財務業績、截至二零零五年三月三十一日止三個月之季度財務業績。

2005 年半年期間審核委員會會議個別成員的出席率

	Attendance No 出席次數	Attendance Rate 出席率
WU Ming Yu 吳明瑜	2/2	100%
Paul CONTOMICHALOS	2/2	100%
WANG Hongbo 王紅波	2/2	100%

#### (9) Directors' Acknowledgement of Their Responsibility for the Financial Statements

The Directors acknowledge that they take full responsibility in the preparation of the financial statements.

#### (9) 董事編製帳目的責任

董事承認負責編製賬目的責任。



## CONSOLIDATED INCOME STATEMENT

### 綜合收益表

		Unaudited Three months ended 30 June 未經審核截至 六月三十日止三個月 2005 二零零五年		Unaudited Six months ended 30 June 未經審核截至 六月三十日止六個月 2005 二零零五年		
		2004 二零零四年	2004 二零零四年	2004 二零零四年	2004 二零零四年	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
		Notes 附註				
Turnover	營業額	3	<b>8,632</b>	8,890	<b>16,120</b>	12,567
Cost of sales	銷售成本		<b>(3,485)</b>	(3,390)	<b>(7,491)</b>	(5,352)
Gross profit	毛利		<b>5,147</b>	5,500	<b>8,629</b>	7,215
Other operating income	其他經營收入		<b>182</b>	809	<b>207</b>	1,667
Administrative expenses	行政開支		<b>(2,196)</b>	(2,342)	<b>(4,888)</b>	(4,145)
Profit before taxation	除稅前溢利	5	<b>3,133</b>	3,967	<b>3,948</b>	4,737
Taxation	稅項	6	<b>(390)</b>	(340)	<b>(525)</b>	(376)
Profit after taxation before minority interest	除稅後·但未計少數 股東權益前溢利		<b>2,743</b>	3,627	<b>3,423</b>	4,361
Minority interests	少數股東權益		<b>13</b>	17	<b>34</b>	17
Profit attributable to shareholders	股東應佔溢利		<b>2,756</b>	3,644	<b>3,457</b>	4,378
Earnings per share (cent)	每股盈利(分)	8				
– basic	– 基本		<b>0.77</b>	1.01	<b>0.96</b>	1.22
– diluted	– 攤薄		<b>0.76</b>	1.00	<b>0.95</b>	1.21



# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

			<b>Unaudited 30 June 2005</b>	Audited 31 December 2004
		Notes 附註	未經審核截至 二零零五年 六月三十日 <b>RMB'000</b> 人民幣千元	經審核截至 二零零四年 十二月 三十一日 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	9	<b>6,132</b>	6,256
Investment in securities	證券投資		<b>16,553</b>	16,553
Investment in associates	於聯營公司之投資	10	<b>2,235</b>	2,235
Investment in unlisted equity	非上市股本投資	11	<b>6,080</b>	6,080
Intangible assets	無形資產	12	<b>2,690</b>	2,510
			<b>33,690</b>	33,634
<b>Current assets</b>	<b>流動資產</b>			
Work-in-progress	在製品		<b>32,120</b>	25,120
Trade receivables	應收貿易賬款	13	<b>9,367</b>	11,513
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		<b>17,654</b>	17,675
Amounts due from related companies	應收關連公司款項	14	<b>3,279</b>	2,392
Pledged bank deposits	已抵押銀行存款		<b>6,023</b>	9,811
Bank balances and cash	銀行結餘及現金		<b>12,024</b>	8,160
			<b>80,467</b>	74,671
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	其他應付款項		<b>1,541</b>	1,941
Receipt in advance	預收款項		<b>6,353</b>	3,721
Amount due to Shareholders	應付股東款項		<b>54</b>	54
Tax payable	應付稅項		<b>651</b>	454
			<b>8,599</b>	6,170
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>71,868</b>	68,501
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>105,558</b>	102,135
<b>Minority interests</b>	<b>少數股東權益</b>		<b>3,156</b>	3,190
<b>Net assets</b>	<b>資產淨值</b>		<b>102,402</b>	98,945
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本		<b>38,160</b>	38,160
Reserves	儲備		<b>64,242</b>	60,785
			<b>102,402</b>	98,945



## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

### 簡明綜合現金流量表

		Unaudited six months ended 30 June	
		未經審核截至 六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net cash inflow from operating activities	經營業務之現金流入淨額	246	(5,705)
Net cash outflow from investing activities	投資活動之現金流出淨額	(135)	(16,394)
Net cash outflow from financing activities	融資活動之現金流出淨額	(34)	1,273
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加 (減少)淨額	77	(20,826)
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	17,970	33,152
Cash and cash equivalents at end of the period	期終之現金及現金等價物	18,047	12,326





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 綜合權益變動表

		Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise expansion fund	Accumulated profits	Total
		股本	股份溢價	特別儲備	資本儲備	法定儲備	發展基金	累計溢利	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2004	於二零零四年一月一日	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
At 31 December 2004	於二零零四年 十二月三十一日	38,160	-	6,039	903	3,334	6,517	43,992	98,945
Dividend	股息								
Contribution from minority shareholder	少數股東出資								
Profit for the year	本年度溢利	-	-	-	-	-	-	3,457	3,457
At 30 June 2005	於二零零五年六月三十日	38,160	-	6,039	903	3,334	6,517	47,449	102,402



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 1. GROUP REORGANIZATION

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. Its shares have been listed on the GEM of the Stock Exchange since 10 July 2003 (the "Listing Date").

Pursuant to a group reorganization to rationalize the structure of the Group in preparation for the listing of the Company's shares on the GEM of the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 31 March 2003 (the "Group Reorganisation").

#### 2. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited condensed finance statements have been prepared in accordance with the Statements of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants ("HKSA") and the disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The accounting policies adopted are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2004.

The accounts have been prepared on a consolidated basis and include the financial statements of the Company and its subsidiaries. All inter-company transactions, balances and unrealized gains on transactions eliminated. The combined results for the six months ended 30 June 2005 were prepared as if the current group structure had been in existence throughout the period.

#### 1. 集團重組

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有限責任之豁免公司。其股份自二零零三年七月十日(「上市日」)起於聯交所之創業板上市。

根據本公司為籌備將其股份於聯交所創業板上市而精簡本集團架構所進行之集團重組，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(「集團重組」)。

#### 2. 會計政策及呈報基準

未經審核簡明財務報表乃根據香港會計師公會(「會計師公會」)頒布之會計實務準則(「會計實務準則」)第25號「中期財務報告」以及香港聯合交易所有限公司創業板證券上市規則第18章所載之披露規定編製。會計政策與編製本集團截至二零零四年十二月三十一日止年度之經審核綜合財務報表所採用者一致。

賬目乃按綜合基準編製，並載入本公司及其附屬公司之財務報表。所有集團內公司間之交易、交易之結餘及未變現收益均作抵銷。截至二零零五年六月三十日止之合併業績乃假設現時之集團架構於整段期間一直存在之方式編製。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 3. TURNOVER AND REVENUE

The Group is principally engaged in the research, development and commercialization of drug products. Following the objective of increasing own product commercialization, there is only a modest growth in Technology Transfer revenue while there is a substantial increase in service income. Revenues recognized during the periods were as follows:

#### 3. 營業額及收益

本集團主要從事研究、開發及將藥品作商品化用途。為實現提高本身產品商品化目標，技術轉讓收益僅有溫和增長而服務收入則大幅增加。於有關期間確認之收益如下：

	Unaudited three months ended 30 June 未經審核截至 六月三十日止三個月		Unaudited six months ended 30 June 未經審核截至 六月三十日止六個月	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Turnover	營業額			
- Transfer of technology for new drug and new drug development	- 轉讓新藥技術及新藥開發			
	2,552	2,718	4,262	3,068
- Contracted pharmaceutical development and clinical research services associated with technology transfer	- 有關技術轉讓之已訂約藥物開發及臨床研究服務			
	2,963	4,151	6,382	6,198
- Contracted pharmaceutical development and clinical research services outsourced by customers	- 客戶外判之已訂約藥物開發及臨床研究服務			
	2,682	1,190	4,564	2,470
- Import registration services	- 進口註冊服務			
	1	380	171	380
- Royalty income	- 特許權收入			
	329	451	593	451
- Active pharmaceutical ingredient	- 有效藥劑成分業務			
	105	-	148	-
	8,632	8,890	16,120	12,567



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 4. SEGMENT 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 the operations of the Group for the periods are principally related to pharmaceutical research and development, registration, application and testing.

#### 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging (crediting) the following items:

#### 4. 分類資料

由於在本期間本集團所有資產及業務均位於中國，因此並無呈列地區分類分析。

由於在本期間本集團之業務主要為製藥研究及開發、註冊、申請及測試，故此並無呈列業務分類分析。

#### 5. 除稅前溢利

除稅前溢利已扣除（計入）下列各項：

		Unaudited three months ended 30 June 未經審核截至 六月三十日止三個月		Unaudited six months ended 30 June 未經審核截至 六月三十日止六個月	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Depreciation	折舊	225	410	462	795
Less: amount capitalized in work-in-progress	減：在製品中已 撥充資本之金額	(158)	(351)	(323)	(691)
		67	59	139	104
Provision against the receivables	應收款項撥備	520	295	582	295
Amortization of intangible assets	無形資產攤銷	88	8	168	8
Interest income	利息收入	(46)	(619)	(268)	(1,273)



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 6. TAXATION

#### 6. 稅項

		Unaudited three months ended 30 June 未經審核截至 六月三十日止三個月		Unaudited six months ended 30 June 未經審核截至 六月三十日止六個月	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	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
Company and subsidiaries	本公司及附屬公司				
PRC income tax	中國所得稅	390	340	525	377
		390	340	525	377

No Hong Kong Profits tax has been provided for, as the Group had no estimated assessable profits in Hong Kong for the six months ended 30 June 2005 (2004: nil). The Company's subsidiaries are subject to PRC income tax on their assessable profits.

由於本集團於截至二零零五年六月三十日止六個月在香港並無估計的應課稅溢利(二零零四年:無),故並無就香港利得稅作出撥備。本公司之附屬公司須就應課稅溢利繳納中國所得稅。

#### 7. DIVIDENDS

#### 7. 股息

The board has not recommended the payment of an interim dividend for the six months ended 30 June 2005. (2004: Nil)

董事會建議不派發截至二零零五年六月三十日止六個月之中期股息(二零零四年:無)。

#### 8. EARNINGS PER SHARE

#### 8. 每股盈利

The calculation of basic earnings per share for the six and three months ended 30 June 2005 is based on the unaudited net profit of approximately RMB3,457,000 and RMB2,756,000 respectively (2004: approximately RMB4,378,000 and RMB3,644,000 respectively), and the weighted average number of approximately 360,000,000 ordinary shares in issue during the period (2004: 360,000,000).

截至二零零五年六月三十日止六個月及三個月之每股基本盈利乃分別根據未經審核純利約人民幣3,457,000元及人民幣2,756,000元(二零零四年:約人民幣4,378,000元及人民幣3,644,000元),以及期內之已發行普通股加權平均股數360,000,000股(二零零四年:360,000,000股)計算。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

The calculation of the diluted earnings per share for the six months and three months ended 30 June 2005 is based on the unaudited net profit of approximately RMB3,457,000 and RMB2,756,000 respectively (2004: approximately RMB4,378,000 and RMB3,644,000 respectively), and the weighted average of approximately 363,635,815 shares (2004: approximately 363,008,000) (after adjusting for the effect of the outstanding dilutive options under the share option schemes of the Company).

#### 9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment with a carrying value of RMB402,944 (2004: RMB4,610,754).

#### 10. INVESTMENT IN ASSOCIATE

Zhejiang Dankong Venturepharm Co. Ltd., (浙江東港萬全醫藥化工有限公司) was incorporated in January 2004, with the Company investing approximately RMB2,235,000 in exchange of 45 per cent shareholdings.

#### 11. INVESTMENT IN UNLISTED EQUITY

19 per cent of shares in Hainan Pioneer Pharmaceutical Co., Ltd., (海南先鋒制藥有限公司) were acquired in January 2004.

截至二零零五年六月三十日止六個月及三個月之每股攤薄盈利乃根據未經審核純利約人民幣3,457,000元及人民幣2,756,000元(二零零四年:約人民幣4,378,000元及人民幣3,644,000元)以及加權平均股數363,635,815股(二零零四年:約363,008,000股)(經對本公司購股權計劃未行使攤薄購股權之影響作出調整)計算。

#### 9. 物業、廠房及設備

於本期間，本集團購置賬面值人民幣402,944元(二零零四年:人民幣4,610,754元)之物業、廠房及設備。

#### 10. 於聯營公司之投資

浙江東港萬全醫藥化工有限公司於二零零四年一月註冊成立，本公司在當中投資約人民幣2,235,000元以取得45%股權。

#### 11. 非上市股本投資

於二零零四年一月，本公司購入海南先鋒制藥有限公司19%股份。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 12. INTANGIBLE ASSETS

The intangible assets of the Group represent capitalized development cost for drug products for own commercialization and it is amortised over its estimated useful life of 5 years.

#### 13. TRADE RECEIVABLES

Details of the ageing analysis are as follows:

#### 12. 無形資產

本集團之無形資產為用作商品化之藥品之已資本化開發成本，會按其估計可用年期5年攤銷。

#### 13. 應收貿易賬款

應收貿易賬款之賬齡分析如下：

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2005</b>	2004
		未經審核截至	經審核截至
		二零零五年	二零零四年
		六月三十日	十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
0 to 90 days	零至90日	<b>3,089</b>	9,663
91 to 180 days	91至180日	<b>1,628</b>	1,412
181 to 365 days	181至365日	<b>4,650</b>	438
		<b>9,367</b>	11,513



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 14 . CONNECTED AND RELATED PARTY TRANSACTIONS

Details of amounts due from related companies are as follows:

Name of company 公司名稱		Unaudited	Audited
		30 June 2005	31 December 2004
		未經審核截至 二零零五年 六月三十日	經審核截至 二零零四年 十二月 三十一日
		RMB'000 人民幣千元	RMB'000 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」)	1,480	812
Venturepharm Inc. ("VP Inc.")	Venturepharm Inc. ("VP Inc.")	1,799	1,580
		<b>3,279</b>	2,392

Note: (1) Both companies are the subsidiaries of the Company's shareholder.

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

#### 14. 關連及有關連人士交易

應收關連公司之款項詳情如下：

	Unaudited	Audited
	30 June 2005	31 December 2004
	未經審核截至 二零零五年 六月三十日	經審核截至 二零零四年 十二月 三十一日
	RMB'000 人民幣千元	RMB'000 人民幣千元
Sanmenxia Sinoway Pharmaceutical Co., Ltd ("Sinoway Pharmaceutical")	1,480	812
Venturepharm Inc. ("VP Inc.")	1,799	1,580
	<b>3,279</b>	2,392

附註：(1) 兩間公司均為本公司股東之附屬公司。

(2) 有關款項為無抵押、免息及按要求償還。





## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

During the period, 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:

於本期間，本公司與若干有關連人士（該等人按創業板證券上市規則之定義亦被視為關連人士）進行下列重大交易：

Name of Connected party	Nature of the transaction	Unaudited six months ended 30 June	
		2005	2004
關連人士名稱	交易性質	二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
VP Inc.	Revenue-Contracted R&D, pharmaceutical application, registration and testing service 收益－已訂約研發、藥品申請、註冊及測試服務	220	159

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

上述交易乃根據雙方協定之條款進行。

By Order of the Board  
**Guo Xia**  
Chairman

承董事會命  
**郭夏**  
主席

Beijing, the PRC, 8th August 2005

中國北京，二零零五年八月八日



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

*Executive Directors:*

William Xia GUO  
Maria Xuemei SONG  
David Xuesong GAO

*Non-Executive Directors:*

FENG Tao  
WU Xin  
Nathan Xin ZHANG

*Independent Non-Executive Directors:*

WU Ming Yu  
Paul CONTOMICHALOS  
WANG Hong Bo

執行董事：

郭夏  
宋雪梅  
高雪松

非執行董事：

馮濤  
吳欣  
張欣

獨立非執行董事：

吳明瑜  
Paul CONTOMICHALOS  
王紅波