



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

(Incorporated in the Cayman Islands with Limited Liability) (Stock code: 8225)
(於開曼群島註冊成立之有限公司) (股份代號: 8225)



A n n u a l R e p o r t 2 0 0 8 年 報

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CORPORATE INFORMATION

公司資料

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Dr. Maria Xue Mei SONG

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Mr. WU Ming Yu

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Ms. Ning Ding ACCA

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寧丁女士ACCA

CORPORATE INFORMATION

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Mr. William Xia GUO

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Ms. Ning Ding ACCA

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創業板股份代號

8225

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

I'm pleased to report the strategic progress that Venturepharm Laboratories made in 2008 and the outlook of 2009. 2008 was an exceptionally challenging year for the Company. Many financial, regulatory and industrial environment changes have temporary impact on the Company's performance. Though we have never run into such challenges, we also have never been so confident of our future because the continue growth of the China healthcare industry and the global economic downturn provide great opportunities for the Company to capitalize on the increasing international outsourcing. We continue to innovate and adapt to the changes, and strategically position the Company as an Asian based life science leader in China, with a world-class most affordable full service plus model, covering discovery, preclinical and clinical study, pharmaceutical development services, compound partnering and royalty sharing.

2008 HIGHLIGHTS

Though this is the first year that the Company reports negative financial results in one of the toughest year for the healthcare industry in China, we still have accomplished a lot:

- We maintain to be China's No. 1 in new drug application and in clinical trials study in terms of the numbers of ongoing trials studies which drive our future growth. We have made 30 new applications for clinical trials and manufacturing approval; and
- We also the No 1 by the numbers of approval of clinical trials and manufacturing certificates, 18 and 24 respectively.
- We are proud of completing one of the largest world-class drug discovery center in China.

各位股東：

很榮幸地向各位匯報萬全科技2008年在公司戰略層面上的進展。對於公司而言，2008年是極具挑戰的一年：外部的金融及醫藥行業環境變化暫時影響了公司的業績，我們從來沒有經歷過如此的挑戰，但我們從來沒有如此的自信：中國醫藥產業持續的高增長和全球經濟低迷為國際外包資本化提供了絕佳的機會。我們持續的創新以適應這樣的變化，從而使萬全科技在戰略層面上成為中國乃至亞洲生命科學研究領導者，使萬全成為世界級可以提供一站式藥物研發服務的公司：藥物早期發現與篩選，臨床前藥理毒理學研究，臨床研究，藥學研發服務，化合物共同開發。

2008年摘要：

2008年對中國醫藥行業是艱難的一年，本公司首次出現了虧損。儘管如此，我們依然取得了如下優良業績：

- 無論從申報數量及正在進行的臨床研究的數量來說，保持中國第一，這些為公司的未來發展提供了動力。本公司共提交30項臨床研究和生產許可申請。
- 我們獲得了18個臨床試驗的許可及24個生產批件證書，仍然保持國內的領先地位。

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STRATEGIC AND OPERATIONAL HIGHLIGHTS

The pharmaceutical industry is undergoing dramatic change. China is expected to become one of the world's top healthcare markets by as early as 2010. By 2020, Shanghai area will be No. 1 in the world for the number of scientists engaged in commercial drug discovery research, and Chinese patent office will be No. 1 in the number of patents granted. A majority of the top 20 pharmas in the world will have R&D centers in Shanghai. Shanghai great area will have as many biotech companies as San Diego and more new drugs launched than Boston.

Great opportunities create great business. Traditional models are no longer enough. To capture the opportunities, the Company has made strategic progress towards our vision to be one of the most affordable world-class fully-integrated R&D service giant. As a market leader in clinical trial study and pharmaceutical development service in China, the Company made strategic move by acquiring a NASDAQ listed drug discovery service company Commonwealth Biotechnologies Inc. in 2008. It was the first acquisition of a NASDAQ biotech company by a Chinese company.

The Company had also made great progress in setting up various strategic platforms worldwide to provide most affordable fully-integrated world-class R&D services. Commitment to R&D is critical to the Company's long-term success in the pharmaceutical industry.

1. Discovery science services

The Company has four worldwide business units to provide discovery science services:

- VPDDiscovery (formerly Tripos Discovery): for drug discovery chemistry and compounds;
- Mimotopes (Australia): for peptide Chemistry drug discovery;

戰略經營摘要

醫藥工業正經歷著劇烈的變化：到2010年，中國有望成為全球最大的醫藥市場之一。到2020年，上海有望成為聚集最多從事醫藥領域研發科學家的地區，中國將成為獲得專利數量最多的國家。世界前20位的藥廠幾乎都已經在上海建立了研發中心。上海及週邊地區會像聖地亞哥一樣，擁有眾多的生物技術公司，像波士頓一樣上市更多的新藥。

偉大的機會創造了絕佳的商業機遇。傳統的商業模式不足以抓住這樣的機會，萬全科技已經接近這樣的願景目標：成為世界級提供一站式研發外包服務提供者。作為中國臨床研究，藥學研發服務的市場領導者，萬全科技於2008年收購了納斯達克上市公司Commonwealth Biotechnologies Inc.。這是中國公司第一次收購在納斯達克上市的生物公司。

萬全已經在全球各地建立了可以提供世界級一站式服務平台，這對於萬全在醫藥工業領域長期的成功十分重要。

1. 藥物的藥物早期發現服務平台

公司在全球擁有四個藥物發現服務平台：

- VPDDiscovery (formerly Tripos Discovery)：藥物發現與化合物化學服務；
- Mimotopes (Australia)：多肽化學及藥物發現；

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- CBI Services (US): for core biology and biochemistry drug discovery;
- Fairfax Central Labs (US): for genetic testing and identification and clinical central lab.

Tripos and Mimotopes are subsidiaries of Commonwealth Biotechnologies Inc. They are widely respected global leaders in small molecule drug discovery and peptide drug discovery respectively. To assist their expansion into China to provide high quality and cost-competitive R&D services, Venturepharm is establishing a 200,000 square feet drug development innovation complex for Tripos' operation relocation to China and a 70,000 square feet drug discovery centre for Mimotopes' China operation.

2. Preclinical & clinical services

To expand the Company's therapeutic width and provide scale benefits, we continue to seek for pharmaceutical asset acquisition opportunities for new segments. We expect our clients will gradually embrace more full service outsourcing, and our mission is to deliver reliable value-added integrated project management services.

VPS-Preclinical is building a three-phase 500,000 square feet lab, which probably is one of the largest in Asia. The new facilitate will provide preclinical animal testing full service in China, including discovery, toxicology, pathology and animal models of Disease services.

VPS is a No.1 clinical services organization in China that provides global clinical, preclinical and regulatory affair services. It is a leader in oncology, hepatitis, vaccine, CNS, cardiovascular, hematology, diabetes, allergy and immunology.

- CBI Services (US) : 生物及生化藥物早期發現服務；
- Fairfax Central Labs (US) : 基因檢測及識別，臨床中心實驗室。

Tripos and Mimotopes是Commonwealth Biotechnologies Inc.的子公司，他們是廣受尊重的小分子及多肽藥物發現的全球領導者。為了幫助他們進入中國市場，提供高質量和價格上具有競爭力的研發服務，萬全科技正在為Tripos建立一個200,000平方英尺的藥物研發創新複合體，為Mimotopes建立一個70,000平方英尺的操作中心。

2. 臨床前研究及臨床研究

為了擴大公司的治療領域和提供更多的利潤，我們持續尋找醫藥資產併購的機會，我們期望客戶逐漸認可一站式服務，我們的使命是提供可靠的增值的項目管理。

我們正在建立一個分為3期建立的臨床前研究實驗室，這個實驗室的建築面積為500,000平方英尺。這很可能是亞洲最具規模的的臨床前研究中心，包括藥物發現，毒理學研究，病理學研究，動物疾病模型研究服務。

VPS是中國第一的臨床研究機構，提供臨床研究及法規註冊等服務。在腫瘤，肝病，疫苗，神經系統，心血管，血液，糖尿病，過敏及免疫等領域保持領先。

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The Company heavily invests in establishing clinical research operation units to drive the future growth of the Company:

- VPS phase I research center;
- VPSmart post-approval drug clinical research institute;
- SAS-VP data management institute;
- VP-Porsche RA center;
- Vacc-VP clinical research institute;
- OHH-VP oncology, HIV and hepatitis diseases clinical institute;
- CNS-VP clinical research instate;
- CNSVP-Pain management;
- CV-VP cardio clinical institute;
- DermNova dermatology;
- TCM-VP clinical research institute.

3. Pharmaceutical development services

Product royalty and compound partnership will be one of the Company's drivers for revenue growth. We plan to invest more in building pharmaceutical development services capabilities and continue to add new products to our product pipelines through pharmaceutical development service (PDS). This will not only help achieve royalty revenue growth, but also further improve our fully integrated services capabilities to provide low-cost high quality drugs.

公司投入大量資金建立臨床研究服務單元，從而為公司未來的增長提供了動力：

- 萬全一期臨床研究中心；
- 萬全瑪特公司四期臨床研究及學術推廣；
- 萬全醫學統計管理公司；
- 保時萬全藥證事務公司；
- 疫苗萬全(Vacc-VP)亞太臨床研究院；
- 安克萬全(OHH-VP)癌症、艾滋病及肝炎亞太臨床研究院；
- 喜思萬全(CNSVP)精神神經亞太臨床研究院；
- 喜思萬全疼痛醫學中心；
- 卡地萬全心血管(CV-VP)亞太臨床研究中心；
- 德美萬全皮膚及婦科亞太臨床研究院；
- 萬全堂天然與中藥臨床研TCM-VP。

3. 藥學研發服務

產品專利和化合物研發合作將是該公司收入增長的主要動力，我們計劃將通過藥物研發服務發展醫藥服務能力和藥物增加產品線新產品上投資更多。這不僅能實現經濟的增長，同時也能夠進一步完善我們全面的服務能力，從而生產出低成本高質量的藥品。

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4. API development services

The Company continues to build up capabilities for API development services and custom synthesis and to scale up service delivery.

AN EXCITING FUTURE

Looking ahead, we remain confident that we will be at the forefront in capitalizing upon the global outsourcing opportunity as it unfolds. The Chinese pharmaceutical industry is experiencing consolidation amongst key players, a trend which is expected to gain momentum in the future. While striving unceasingly to exercise strong leadership in the industry in China, we remain firmly committed to unlocking shareholder value through the delivery of high quality service solutions.

Based on our strong fundamentals of innovation, entrepreneurship and aggressive marketing skills, we are determined to capitalize upon the global outsourcing opportunities and remain committed to enhancing shareholder value, as we actively pursue our strategy of growth through both organic and inorganic means. To complement our expansion strategy, we are also looking to further strengthen our service delivery through acquisition.

In summary, we have aggressive and exciting plans for 2009, and once again we intend to deliver on our goals. In the year ahead, we expect to meet the following milestones:

1. Key growth driver 1 of 2009: set up a fully integrated high quality most affordable drug discovery global service division.

VPDiscovery Ltd and Mimotopes China Ltd will be the two engines to drive the growth of this sector.

4. API研發服務

公司將繼續建立API研發服務。

前景令人振奮

展望未來，我們對萬全在擴張過程中抓住全球研發外包之機遇充滿信心。中國醫藥行業正經歷強者合併階段，此趨勢預期日後還會升溫。我們在中國藥業不斷維持領先之同時，亦堅定不移地透過提供高質服務解決方案來提升股東價值。

我們在透過內部增長和外部合併兩種方式積極推行增長策略之同時，亦決心利用其在營銷技巧中所表現之創新、主動和進取之深厚功底，緊抓全球外包市場之良機，繼續努力提高股東價值。為配合我們之推廣策略，我們亦尋求透過收購來進一步加強其服務提供能力。

總之，在2009年，我們有積極和令人振奮的計劃，我們也將再次實現我們的目標。在今後的一年里，我們將完成以下的里程碑：

1. 2009年第一大驅動器：成立一個密集型高品質低價格的全球藥物研發服務平台。

藥物創新服務(VPDiscovery)和Mimotopes(中國)將是啟動該部分增長的兩大引擎。

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2. Key growth driver 2 of 2009: further improve preclinical and clinical trial studies capabilities

We aim at turning a No. 1 VPS CRO in domestic market to a global specialty pharma and Biotech company, by setting up sales and marketing offices in North America and Europe, and expanding through global alliance and M&A of global CRO companies.

3. Key growth driver 3 for 2009: royalty and compound partnership model

The Company will continue the co-finance, co-development and co-marketing strategy and engage in strategic licensing of therapeutic compound pipelines, and marketing of projects to China, an emerging global top five market.

In closing, Venturepharm has a committed group of employees who are bright, enthusiastic and hard-working. I would like to thank the management and all of our employees for their dedication and commitment. On behalf of everyone at Venturepharm, we extend our sincerest appreciation to our shareholders for their continuing repose of confidence in the Company. We will deliver improved value in 2009 and the years to come. We look forward to your ongoing support and to sharing this dynamic growth phase of our journey with you.

By order of the Board

William Xia Guo

Chairman

25 March, 2009

2. 2009年第二大驅動器：進一步增強臨床前和臨床研究能力。

我們計劃通過在北美和歐洲建立銷售市場辦公室及全球CRO企業聯合及併購，進一步擴張，使國內最佳的VPS CRO成長為全球專業的醫藥及生物公司。

3. 2009年第三大驅動器：專利和化合物的合作模式。

公司將在中國這個新興的全球前五位的市場上繼續進行共同融資、共同發展、共同營銷戰略，並涉及到新的藥物化學結構體的戰略許可。

最後，萬全集團有一個智慧、熱情和勤奮的工作團隊，我在此感謝所有的管理人員和員工對公司所作出的貢獻。我代表萬全的每一位員工，衷心感謝我們的股東所給予公司的支持和信心。在2009年及今後的幾年里，我們將繼續提升我們的價值，期待你們的繼續支持和共同分享我們經濟增長的旅程。

William，郭夏

主席

於二零零九年三月二十五

FINANCIAL HIGHLIGHTS

財務摘要

		Year ended 31 December	
		截至十二月三十一日止年度	
		2008	2007
		二零零八年	二零零七年
		RMB	RMB
		人民幣元	人民幣元
Results	業績		
Revenue	收益	39,186,000	38,729,000
Profit for the year	年內溢利	(16,354,000)	1,597,000
Assets and Liabilities	資產及負債		
Total Assets	總資產	186,809,000	254,964,000
Total Liabilities	總負債	80,453,000	131,728,000
Shareholders' equity	股東權益	106,356,000	123,236,000

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RESULTS

For the year ended 31 December 2008, consolidated turnover amounted to RMB39,186,000, representing an increase of 1.18% compared to RMB38,729,000 of last year, of which, approximately RMB15,680,000 was derived from technology transfer and contracted pharmaceutical development services, approximately RMB19,743,000 from contracted pharmaceutical development services and clinical research services not associated with technology transferred by the Group, and approximately RMB2,749,000 from franchise commercialisation.

In terms of revenue structure, the import registration and the following clinical services achieved the biggest growth, representing more than 19 times compared with that of 2007. The revenue of franchise commercialisation achieved 100% increase, reflecting the Group's consideration for long term benefit and the strategic disposition of enforcing the project transfer of franchise commercialisation and developing international business. Although the revenue of CRS reaches only 79% of the total revenue, it is decreased by 13% compared with that of last year. The main reason is that the year of 2008 is the first year for the implementation of the newly revised Provisions for Drug Registration. For the purpose of fulfilling the new Provisions and put the legislation spirit and requirement into consolidated practice, State Food and Drug Administration (SFDA) issued a series of corresponding documents such as Complementary Regulation on Registration of Chinese Medicine, Regulation on On-site Examination of Drug Registration and Measures on Administration of Special Examination and Approval of Registration of New Drugs and several technique guidance principles for drug research, raising the requirement of drug registration application and further regulating the review and approval procedure of registration. For the reason that State Food and Drug Administration (SFDA) focused on handling with approximately 25,000 application projects which were overstocked in drug reviewing process, the normal timeline for reviewing could not be guaranteed. This led a dramatic decrease in number of issued Clinical Study Permits (CSPs). As much as 67% of the projects were rejected. As a result, both the number and the total fee of new contracts decreased.

業績

截至二零零八年十二月三十一日止期間，綜合營業額為人民幣39,186,000元，較上年度38,729,000元，增長1.18%，其中技術轉讓及開發服務收入約人民幣15,680,000元，臨床研究服務收入約人民幣19,743,000元，特許權收入約人民幣2,749,000元。

從收入結構看，進口註冊及後續臨床服務的增長最快，收入是2007年的19倍多；特許權收入增長為100%，這體現了公司充分考慮長久利益，增大特許權方式的專案轉讓及大力開展國際業務的戰略部署。臨床研究業務的收入雖然占到收入的79%，但減少為13%，主要原因是2008年是新修訂的《藥品註冊管理辦法》實施的第一年，為貫徹執行新辦法，將立法精神和要求真正落到實處，SFDA又相繼出臺了《中藥註冊管理補充規定》、《藥品註冊現場核査管理規定》、《新藥註冊特殊審批管理規定》等一系列的配套檔以及幾個藥品研究技術指導原則，提高了藥品註冊申報要求，嚴格註冊審批程式。同時由於集中處理藥品審評環節積壓的約2.5萬個申報專案，使得審評的正常時間無法保證。總的結果是臨床批件數量急劇減少，有高達67%的項目被退審。因此，新合同數量及金額下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On the other hand, since the second half year of 2008, the world economy has got dramatic degeneration, and the domestic economy is facing with severe difficulties and challenges. Following the change of macro economic situation, the structural adjustment of food and drug industry may be accelerated and the intensiveness and management form of the industry will also have new changes. For the more difficulties on the manufacturing and operation, some enterprises may perform the manufacturing and operation against the standards and regulations, challenging the bottom line of safety, which will be requested to stop manufacturing by the state. Some enterprises may generate conflict in the process of restructuring, merger and acquisition, which will affect on the manufacturing, operation and capital management. Therefore, with a high sense of responsibility to the shareholders, the Group prepared the reduced value for receivable account for a vast scale, thus the shareholders have lost as much as RMB16,354,000.

The Group's overall gross profit margin was 39.25% for the year under review, decrease 19.95% than last year which is 59.2%. The principal reason is due to our adjustment on the contract price in order to keep our business on an ongoing basis in the financial crisis circumstance. General and administrative expenses amounted to RMB47,544,000 representing an increase of 161% compared to RMB18,165,000 in 2007, due to the added expenses for law work in the process of acquiring CBI and the expansion of the Group. Finance costs amounted to RMB7,968,000 representing an increase of 49% compared to RMB5,338,500 in 2007, due to interests of CB and exchange loss of foreign currency.

另外，2008年下半年以來，世界經濟金融形勢風雲突變、急劇惡化，國內經濟發展也面臨著嚴重困難和嚴峻挑戰。宏觀經濟形勢變化後，食品藥品產業的結構調整可能會加快，產業集中度和管理方式等都可能發生新的變化。由於生產經營困難增多，有的企業可能違反標準和規範進行生產經營，挑戰安全底線，導致被國家要求停止生產；有的企業在重組、併購過程中產生的矛盾和糾紛，可能對生產經營和資金管理等產生影響。因此，本著對股東負責的審慎態度，我們增加了非常大幅度的應收帳款減值準備，股東損失約人民幣16,354,000元。

於回顧年度內，本集團整體毛利率為39.25%，比上年度59.2%減少19.95%。主要原因是由於金融危機狀況下，本公司調整了合同轉讓價格，以保持公司業務的持續發展。一般及行政開支人民幣47,544,000元，比二零零七年人民幣18,165,000元增加161%。主要原因是收購CBI而增加的法務費用及公司在擴張中增加的一些費用；財務費用人民幣7,968,000元，比二零零七年人民幣5,338,500元增加49%。主要原因是CB的利息及外匯的匯兌損失。

MANAGEMENT DISCUSSION AND ANALYSIS

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LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

During the year, the Group maintained a sound financial position and prudent liquidity risk management, and had sufficient cash to meet the requirements of its business development. As at 31 December 2008, the Group had current assets of approximately RMB157,316,000, among which RMB6,711,000 was cash. The Group had no short-term bank liabilities and maintained sufficient cash and a strong and sound financial position.

Foreign Exchange Exposure

During the period under review, the Group's transactions were substantially denominated in Renminbi ("RMB"). In view of the RMB appreciation trend, the Group engaged in risk-free value-added banking activities in due course and transferred its USD-denominated businesses to RMB-denominated businesses according to the relevant business scale. The Group closely monitors its foreign currency risk from time to time and will use appropriate hedgings where necessary.

BUSINESS REVIEW

Aiming at long-term development and based on its business transformation strategy of transforming from a leading technology transfer supplier to an enterprise integrating pharmaceutical development and products commercialisation, the Group continued to expand its product lines and accelerate the establishment of the marketing network so as to rapidly capture its market share. The Group has managed to establish a comprehensive value-added business mode for value chains such as API, preparation and analysis technology, pre-clinical research, clinical trial, regulatory affair (RA) service and franchise commercialisation, and further explored the service capacity of small molecular research and biologic product research through the acquisition of CBI, thereby enhancing the profitability and risk resistance capability of the Company, and enabling the Company to secure long-term stable profitability in future.

流動資金、財務資源及負債比率

公司的資金鏈是非常健康的，流動資金也很充沛。足以應付公司經營之需要，於二零零八年十二月三十一日，本集團之流動資產約為人民幣157,316,000元，當中約人民幣6,711,000元為現金。本集團並無銀行短期負債，且現金充足，財務狀況良好。

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，本集團面對人民幣升值之趨勢，適時進行無風險之銀行增值業務，同時根據業務規模將美元轉為人民幣業務。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。

業務回顧

本集團基於長期發展考慮，繼續推進從領先的技術轉讓供應商轉變為集藥物開發及產品商業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路以便迅速佔領市場份額。已經初步建立了API、製劑及分析技術、臨床前研究、臨床試驗、藥政服務、特許權經營商品化使用等價值鏈的全面增值過程業務模式，同時通過對CBI公司的收購，進一步拓展了公司在小分子創新藥物研究開發及生物製品的研究開發方面的服務能力，使得公司在未來贏得長久穩定的獲利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Sales and Marketing

For the year ended 31 December 2008, the Group has signed 15 PDS contracts with contract value of RMB16,865,000 and 24 VPS contracts with contract value of approximately RMB14,501,000, aggregating to RMB31,366,000 in total. A decrease of 32.82% in the number of contracts and a decrease of 60% in the total contract value was recorded compared to that of the corresponding period last year. However, the international business has achieved an encouraging growth. Nine international contracts covering pharmaceutical R&D outsourcing, clinical services, etc. were signed. Moreover, the cooperation discussion with big pharmaceutical enterprises such as Roche, Bayer, Merck, etc. has made a great breakthrough.

The Group continued its investment in the enhancement of marketing capability and the expansion of market network, and introduced new technologies in the domestic market under the brand of Venturepharm while striving to establish and expand overseas markets under the brand of VPS-CRO. During the period, the Group not only focused on business expansion, but also paid more attention to the enhancement of brand value and the improvement of professional capability, aiming at becoming a comprehensive and reliable technology and service provider with the most prestigious brand and leading technologies.

銷售及市場推廣

截至於二零零八年十二月三十一日，本集團成功簽訂15份PDS及24份VPS合約，價值約人民幣16,865,000元及14,501,000元；總值人民幣31,366,000元。合約數量比去年同期減少32.82%，就合同價值而言，比去年同期下降60%。令人振奮的是國際業務有較大幅度增長，簽定了9份國際業務合同，包括研發外包及註冊、臨床服務專案，與Roche、Byer、Merck等大型製藥企業的合作洽談也取得了突破性進展。

本集團不斷在增強市場推廣能力及拓展市場網路方面作出投資，以萬全科技品牌在本地市場推出新技術，同時以VPS-CRO全力構建和拓展海外服務市場。期間，本集團非僅僅注重業務數量增長，同時更注重積累服務的品牌價值以及專業能力提升，力求發展成為品牌最優、品質可靠、技術領先的全面的技術和服務供應商。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Clinical Research Service (CRS)

Taken clinical study as the prime focus, the Group has established the most integrated service in the country, which provides a series of services ranging from phase I clinical and bioequivalence studies, phase II-III clinical studies, and phase IV post-marketing clinical study, to data management and medical statistics, and medical administration related service. Meanwhile, the Group makes a great efforts to improve the professional capability involving the above mentioned services and has preliminarily established 12 professional research institutions including Venturepharm-CBI phase I clinical research center, VPS-mart phase IV clinical research and academic promotion center, SAS-Venturepharm data management and medical statistics center, VP-Porsche RA service center, OHH-VP Pacific-Asia clinical research institution for oncology, AIDS and hepatitis, CNSVP Psychoneurologic Pacific-Asia clinical research institution, CV-VP Cardiovascular Pacific-Asia clinical research center, DermNova Pacific-Asia clinical research institution for dermatosis and gynecologic disease and TCM-VP clinical research center for natural drug and traditional Chinese medicine, etc.

In the meantime, the Group has built a nation-wide network with bases in Beijing, Shanghai and Guangzhou and offices in over 30 provincial capital cities for clinical monitoring and academic promotion, covering over 80% hospitals which have been authorised to conduct clinical research. The Group has the capacity of operating more than 60 phase I and BE projects each year and conducting 50 phase II-III clinical projects simultaneously. Meanwhile, the Group is able to carry out 4 phase IV clinical trials with large sample size (2000 subjects) at the same period. In addition, the import drug registration and international clinical services have made a great progress.

臨床研究服務(CRS)

本集團已經建立起國內最完整的以臨床研究為主體內容的服務業務，包括，I期臨床及生物等效性研究，II-III期臨床研究，IV期暨上市後臨床研究，資料管理及醫學統計，藥政事務服務等一系列服務；同時着力打造以上業務所涉及的專業能力，初步建立起萬全CBI一期臨床研究中心，萬全瑪特(VPSmart)四期臨床研究及學術推廣中心，SAS－萬全資料管理及醫學統計中心，保時萬全 (VP-Porsche RA) 藥政事務中心，安克萬全 (OHH-VP) 癌症，愛滋病及肝炎亞太臨床研究院，喜恩萬全 (CNSVP) 精神神經亞太臨床研究院，喜恩萬全疼痛醫學 (CNSVP-Pain managment) 研究院，怡妙萬全 (Vacc-VP) 亞太臨床研究院，卡地萬全心血管 (CV-VP) 亞太臨床研究中心，德美萬全 (DermNova) 皮膚及婦科亞太臨床研究院，萬全堂 (TCM-VP) 天然藥與中藥臨床研究中心等12個專業研究機構。

同時，集團在全國建立了以北京、上海、廣州為基地，附帶30多個省會城市辦事處的全國性臨床監察和學術推廣網路；覆蓋到80%以上可以有資格進行臨床研究的醫院，目前每年可以達到I期及BE項目60個以上的操作能力，II-III期專案可以同時開展50個；大樣本量（2000例）的IV期臨床同時開展4個。另外，進口註冊及國際臨床服務已經有了長足的發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pre-clinical service

The Group is establishing Venturepharm Asia CMC Drug Evaluation Center, a GLP standardised pre-clinical laboratory with a total area of 50,000 m², which will become the Asia's largest pre-clinical laboratory after its construction. The center to be completed, currently under construction, will adopt the international standard in the aspects of construction designing, process distribution, facility selection and installation, staff level and system constitution. The center is planned to undertake 30% of R&D outsourcing contracts from CBI, which not only satisfies the needs of high-end clients from Europe and America, but also provide services to medium and small sized enterprises from domestic and abroad. The center mainly includes the platforms as Drug Discovery Platform, Toxicology Platform, Pathology Platform and Animal Model Platform.

In accordance with the statistics from Antisoma in US, 1/3 of the world's present big pharmas have their business outsourced. This figure would increase into 47% in 2008. On the other hand, the marketing analysis indicates that the world market of R&D contract outsourcing develops by an average increase of 16.3% each year. Data show that China's pharmaceutical R&D outsourcing market in 2008 has risen to USD260 million, representing over 10 times' increase compared with the market of USD25 million in 2005. This figure is predicted to be increased to USD430 million in 2010. Some people state that China has grown over India into the prior option for R&D outsourcing in Asia. In the particular time with the occurrence of economic crisis, big pharmas will have more of their projects outsourced into China. Venturepharm's strong capability of pre-clinical and clinical service precisely corresponds to this historical opportunity and will realise the business development by leaps and bounds.

臨床前研究服務(Pre-clinical service)

集團正在興建萬全亞洲CMC藥物評價中心，一個總面積為50,000平方米的GLP標準的臨床前實驗室，該實驗室建成之後將成為亞洲最大的臨床前實驗室。目前已經破土動工。新落成的中心，從建築設計、工藝佈局、設備選型及安裝、人員配備、制度建設等方面均採用國際標準。計劃承接30%的CBI研發外包業務，既滿足歐美高端客戶的需求，同時對國內及國外的中小企業也提供服務。中心的主要業務平臺有：藥物發現實驗平臺；毒理學實驗平臺；病理學實驗平臺；疾病動物模型實驗平臺。

據美國Antisoma公司統計，目前世界上1/3以上的大型醫藥公司都實行業務外包，這一數字到2008年將上升到47%。而市場研究資料顯示，全球醫藥領域合同研發市場將以年均16.3%的速度發展。有資料顯示，2008年中國醫藥研發外包市場已經上升到約2.6億美元，較之2005年2500萬美元的市場足足增長了10餘倍，預計到2010年可增長至4.3億美元。有人稱，中國已經超過印度成為亞洲研發外包首選地。尤其是金融危機以來，大型制藥企業會把更多的業務外包出來，外包到中國，而萬全強大的臨床前和臨床服務能力，正契合這一歷史機遇，實現業務的跳躍式發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pharmaceutical Development Service (PDS)

The Group's portfolio for technology R&D and transfer covers 13 major and high growth therapeutic areas such as endocrine, CNS, cardiovascular disease, dermatosis, cancer, AIDS, allergy and antibiotics. Several of its products are introduced to the domestic market for the first time and are exclusive products. Furthermore, several advanced technology platforms have been established for drug synthesis, pharmaceutical analysis and drug delivery systems.

Along with a reinforced investment, the Group's R&D strength continues to maintain a leading position in the industry. The Group has 248 on-going projects, among which, 59 were initiated in 2008 and a total of 30 products were applied for clinical trials and production. Under the circumstance of such strict and delayed review by State Food and Drug Administration (SFDA), the Group still obtained 18 new Clinical Study Permits (CSPs) and 23 Manufacturing Permits (MPs), maintaining the No.1 position in China. For the year ended 31 December 2008, the total number of CSPs obtained by the Group accumulated to 299 and the total number of MPs accumulated to 119.

VP-Discovery

Venturepharm Asia Innovation Center is the research center of CBI in China, with an area of 20,000 m². It utilizes the most advanced facilities and equipment to provide the research services as small molecular designing, high throughput chemistry, peptide synthesis and biologic products services such as DNA testing. The center has carried out trials up to now.

API

Aside from technologic transfer projects, the business of API is developing in a comprehensive way. Despite that API's sales revenue accounts for only 1.2% of the total revenue, it is able to provide integrated services including custom synthesis, API and intermediate marketing and API related services. It is believed that API business could realise a dramatic growth in 2009.

藥物開發服務(PDS)

本集團之技術研發與轉讓的項目，涉及13個主要及高增長之治療範圍，例如內分泌、精神神經系統疾病、心血管疾病、皮膚病、癌症、愛滋病、過敏症及抗生素等。多個產品為國內首家及獨家產品；在藥物合成藥物分析及藥物傳遞系統上，建立了多個優勢技術平臺。

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。本集團目前有在研專案248，於二零零八年新展開59個，申報臨床、生產共30個；同時在國家審評如此嚴格和延遲的情況下，仍然獲得國家食品藥品監督管理局批出18張臨床研究批件及23個生產批件，繼續保持國內第一。公司截至二零零八年十二月三十一日，獲發之臨床研究許可證總數已累積至299張，獲發之生產許可證總數已累積至119張。

藥物創新服務(VP-Discovery)

萬全亞洲創新中心，是集團CBI業務在國內的研究中心。該中心面積約20,000平方米，採用最先進的設備和儀器，提供小分子設計、高通量化學、多肽合成和DNA檢測等生物製品的研究服務。目前已經開展試驗。

API業務

除單純的原料藥項目的技術轉讓外，萬全API業務，正向綜合方向發展。雖然08年API銷售只占收入的1.2%，但目前已經可以提供定制合成，API和中間體銷售，API相關服務等綜合的服務業務，相信在09年也會有比較大的增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Patents

The Group has always placed great emphasis on the protection of intellectual property rights. Since its incorporation and up to 31 December 2008, the Group has submitted over 232 patents.

PROSPECTS

To capitalise on the opportunity of the increased demand of global R&D outsourcing market, the company has made best efforts to improve its service capacities and performance in R&D outsourcing service by providing fully integrated pharmaceutical services that include PDS (Pharmaceutical Development Service), API (Active Pharmaceutical Ingredient), CRS (Contract Research Service), RAS (Regulatory Affairs Service), CMS (Contract Manufacturing Service) and CSS (Contract Sales Service). In the meantime, the Group believes that as the government further standardises and implements its supervision, the market environment will become more favourable to the Group given its competitive edge. The economic crisis, to the enterprises like Venturepharm, is undoubtedly an opportunity rather than a challenge. Meanwhile, the investment from Chinese government into the scientific research of biologic and pharmaceutical technology, with the investment of RMB6.6 billion into major new drug research included, will stimulate greatly to the R&D service market. The upcoming new booming age of the pharmaceutical industry will not only present the Group with rare and precious business opportunities, but also considerable return for the shareholders.

CAPITAL STRUCTURE

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

SIGNIFICANT INVESTMENT

The Company invested its surplus fund through its principal bank in investment market funds, which was RMB46,684,000.

專利

本集團一向注重保護知識產權。本公司由成立至二零零八年十二月三十一日止共申請專利232項。

展望

為把握國際研發外包市場需求增長之機遇，本集團不遺餘力提高自身研發能力及品質，以提供涵蓋藥物開發服務(PDS)、有效藥劑成分(API)、合約研究服務(CRS)、藥政服務(RAS)及合約生產服務(CMS)及合約銷售服務(CSS)之全面綜合的服務。同時本集團也相信，隨著政府對於藥品監督管理各個環節的進一步規範，監管進一步落實，市場環境會更符合本集團的競爭優勢；同時，此次金融風暴對於象本集團這樣的企業，一定是機會大於挑戰。同時，中國政府在生物和醫藥技術領域科研方面的投入，包括重大新藥創制在內的66個億的投入，對於研發服務市場也是非常大的刺激。我們相信醫藥行業的新繁榮時期將為本集團帶來不可多得的機遇，必將為股東帶來豐厚的回報。

資本結構

本公司之資本結構與上年相比無變動。

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市場基金人民幣46,684,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Within the year of 2008, Venturepharm Lab. Ltd. successfully acquired 43.65% of the issued and outstanding shares of Commonwealth Biotechnologies Inc. (CBI), a NASDAQ listed company and became the largest shareholder of CBI. By integrating the complementary advantages of the two sides, the two companies set up the Venturepharm Asia Innovation Center, which aims to become a global innovative research service foundation with the largest scale and most efficiency in Asia.

EMPLOYEES

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.

APPROPRIATION

The Directors do not recommend the payment of final dividend for the year ended 31 December 2008 and propose that the profit for the year be retained.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board has reviewed the consolidated financial statements for the year, including the accounting principles and accounting standards adopted by the Company, and discussed matters relating to auditing, internal controls a financial reporting.

重大收購及出售附屬公司及聯屬公司

於二零零八年度內，萬全科技藥業集團成功收購並增持美國納斯達克上市Commonwealth Biotechnologies, Inc (簡稱「CBI」) 生物醫藥集團公司股權，占CBI股權之43.65%。成為該集團第一大股東。兩家公司整合雙方優勢互補資源在中國成立一家萬全亞洲研究中心。中心致力成為亞洲最具規模和效率的全球創新研究服務基地。

僱員薪酬資料

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。

分配

董事不建議就截至二零零八年十二月三十一日止年度派發末期股息，並建議保留本年度溢利。

財務報表之審閱

審核委員會已審閱本公司本年度之綜合財務報表，包括本公司所採納的會計原則及會計準則，並已討論有關審計、內部監控及財務彙報事宜。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層簡歷

EXECUTIVE DIRECTORS

Mr. William Xia GUO, 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, 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.

執行董事

郭夏先生，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制藥公司 Ortho-McNeil Inc.及Novopharm Limited分別擔任研究科學家及工序開發經理。郭先生於制藥行業之研究、制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，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。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

NON-EXECUTIVE DIRECTORS

Mr. FENG Tao, is 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 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, is a non-executive Director nominated by C Tech Fund. Mr. Wu is a vice-president of New Margin. 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 New Margin, 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, 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

馮濤先生，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、國家經貿委及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，獲C Tech Fund提名為非執行董事。吳先生為New Margin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New Margin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，非執行董事。張博士曾任深圳微芯生物公司總裁，該公司是一家中國致力於治療腫瘤、糖尿病及骨質疏松等的知名創新生物醫藥公司。彼也曾就職於KPMG紐約公司、瑞士信貸第一波士頓。彼持有天津醫學院博士學位、美國賓夕凡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. WANG Hong Bo, is an independent non-executive Director and is the chairman of the audit committee. 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.

Mr. Paul CONTOMICHALOS, is an independent non-executive Director. He was awarded 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. WU Ming Yu, is an independent non-executive Director. 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.

獨立非執行董事

王紅波先生，獨立非執行董事及審核委員會主席。彼為英國特許公認會計師公會及中國註冊會計師協會之會員。王先生畢業於南開大學，獲頒碩士學位。彼現為TCL集團股份有限公司財務經理。王先生擁有逾10年審計經驗。彼於二零零四年九月獲委任為獨立非執行董事。

Paul CONTOMICHALOS先生，獨立非執行董事。彼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。

吳明瑜先生，獨立非執行董事。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、中國科學與科技政策研究會副理事長、國務院經濟研究中心經濟學家及Asia-Pacific Research Institute理事長。彼於二零零二年八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. George Fei PENG, is the Vice President of the Group. Mr. Peng holds a Master of Finance and Investment degree from Durham University (UK). He has over ten years of experience in investment management in US, UK and China. Before joining the Group, he was a co-founding partner of II Global Consulting.

Dr. Tom Tuo JIN, 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, 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 over ten 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：

彭飛先生，本集團副總裁。彭先生持有英國杜倫大學金融及投資學碩士學位。彼在美國、英國及中國投資管理積累逾十年經驗。於加入本集團前，彼為II Global Consulting之共同創辦合夥人。

金托博士，為聯席技術總監。金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。金博士多年來於日本、美國Novartis及加拿大從事教育及藥劑研發工作。金博士曾經擔任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。金博士為Sinican Institute的院長。金博士曾於學報發表25編文章及擁有10項專利發明。金博士為美國藥學科學家協會成員。

Tarun GUPTA博士，為本集團業務發展部（國際部）聯席主管。彼亦為印度P.K. Pharmatech之行政總裁。Gupta博士於一九八二年十二月獲得醫藥學學士學位及外科學學士學位。於二零零零年十二月加入本集團前，彼於印度Lupin Laboratories Limited工作，於一九九六年被調任為香港獨家市場推廣及分銷代理。彼負責Lupin集團產品在亞洲區之市場推廣及分銷。彼於制藥業有逾10年經驗。

DIRECTORS' REPORT

董事會報告

The Directors of the Company present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries and associates are set out in notes 8 and 9, respectively, to the financial statements.

An analysis of the Group's performance for the year by business segments is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 52 of the annual report.

The Directors do not recommend the payment of final dividend for the year ended 31 December 2008.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company during the year are set out in note 6 to the financial statements.

SHARE CAPITAL

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

本公司董事謹此呈報本公司及附屬公司（「本集團」）截至二零零八年十二月三十一日止年度之年度報告及經審核綜合財務報表。

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8及9。

本集團年內表現按業務單元分析，載於財務報表附註5。

業績及分配

本集團截至二零零八年十二月三十一日止年度之業績載於本年報第52頁綜合收益表。

董事不建議就截至二零零八年十二月三十一日止年度派發末期股息。

物業、廠房及設備

本集團及本公司物業、廠房及設備於本年度之變動詳情載於財務報表附註6。

股本

本公司股本之詳情載於財務報表附註17。

DIRECTORS' REPORT 董事會報告

RESERVES

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

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 135 to 136.

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

Non-executive Directors:

FENG Tao

WU Xin

Nathan Xin ZHANG

Independent Non-executive Directors:

WANG Hong Bo

Paul CONTOMICHALOS

WU Ming Yu

儲備

本集團及本公司儲備於年內之變動詳情載於財務報表附註18。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第135至136頁。

董事

年內及截至本報告日期止本公司之在任董事為：

董事總經理：

郭夏

執行董事：

宋雪梅

非執行董事：

馮濤

吳欣

張欣

獨立非執行董事：

王紅波

Paul CONTOMICHALOS

吳明瑜

DIRECTORS' REPORT

董事會報告

In accordance with Articles 95 and 121 of the Company's Articles of Association, WU Xin, FENG Tao, Nathan Xin ZHANG, WANG Hong Bo, Paul CONTOMICHALOS and WU Ming Yu retire and, being eligible, offer themselves for re-election.

Apart from Nathan Xin ZHANG and WANG Hongbo, who 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.

On 11 July 2008, the service contract with each Director other than Nathan Xin ZHANG and WANG Hong Bo, expired and be renewed for one more year.

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

根據本公司之組織章程細則第95及121條，吳欣、馮濤、張欣、王紅波、Paul CONTOMICHALOS及吳明瑜退任併合資格應選連任。

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獲委任為本公司董事均受限於在有關服務合約（如適用）訂明之若干情況下予以終止。

於二零零八年七月十一日，除張欣與王紅波外，各董事之服務合約屆滿，並續約期一年。

除上文披露者外，擬於應屆股東週年大會膺選連任之董事，概無與本公司或其任何附屬公司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。

DIRECTORS' REPORT 董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2008, the interests and short positions of the Company's Directors and chief executives 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 notify 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 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 5.46 to 5.67 of the GEM Listing Rules were as follows:

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 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	8,244,000	17,354,377	4.68	
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled Corporation (Note 1) 受控制法團權益(附註1)	149,432,583	-	149,432,583	40.27	
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled Corporation (Note 2) 受控制法團權益(附註2)	15,966,073	-	15,966,073	4.30	

董事及主要行政人員於股份、相關股份及債券之權益

於二零零八年十二月三十一日，本公司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)根據創業板上市規則第5.46至5.67條所述之權益及淡倉如下：

於本公司股份及相關股份之好倉

(1) 本公司

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Note 1: The controlled corporation, Venturepharm Holdings Inc., is 47.63% directly held by Mr. William Xia GUO and 44.94% held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in British Virgin Islands.

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

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

附註1：受控制法團Venturepharm Holdings Inc.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44.94%股權。

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

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

**Number of shares in which
interested under physically
settled equity derivatives as at
20 June 2003 and 31 December 2007**

於二零零三年六月二十日及
二零零八年十二月三十一日
根據實物結算股本衍生工具
持有權益之股份數目

Name 姓名	Number of shares in which interested under physically settled equity derivatives as at 20 June 2003 and 31 December 2007 於二零零三年六月二十日及 二零零八年十二月三十一日 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-Jun-03 二零零三年六月二十日	HK\$0.32 0.32港元
William Xia GUO 郭夏	360,000	2-Mar-05 二零零五年三月二日	HK\$0.52 0.52港元
William Xia GUO 郭夏	360,000	14-Dec-05 二零零五年十二月十四日	HK\$0.45 0.45港元
William Xia GUO 郭夏	324,000	10-Aug-06 二零零六年八月十日	HK\$0.36 0.36港元

Options granted to Mr. William Xia GUO contain a vesting schedule, pursuant to which may exercise up to 30% of the underlying shares after 31 December 2003, up to another 30% of the underlying shares after 31 December 2004 and the balance after 31 December 2005. The relevant options will expire after ten years from the date of grant. Mr. William Xia GUO has undertaken to the Stock Exchange that he will not exercise their options granted under the Pre-IPO Share Options 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。

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(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	Approximate
			contribution on a Sino-foreign co-operative joint venture	percentage of interest of shareholding in joint venture
			於一間中外合作 於合營企業股權	於合營企業股權 之權益概約百分比
William Xia GUO 郭夏	Corporate 公司	Interest of a controlled corporation (Note 1) 受控制法團權益 (附註1)	US\$111,000 111,000美元	12.83

Note 1: The interest is held by Beijing Venturepharm Biotech Pharmaceutical Technology Company Limited, a limited liability company incorporated in the PRC, for which 99% of its shareholding is beneficially held by Mr. William Xia GUO and 1% held by Dr. Maria Xue-mei 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，另1%則由宋雪梅博士持有。

Save as disclosed above, as at 31 December 2008, 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 5.46 to 5.67 of the GEM Listing Rules.

除上文所披露者外，於二零零八年十二月三十一日，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）之證券中，擁有須(a)根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之任何權益或淡倉（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5.46至5.67條之規定之任何權益或淡倉。

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 2008, the interests and short positions of persons 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:

主要股東

據本公司任何董事及主要行政人員所知，於二零零七年十二月三十一日，以下人士持有本公司之股份及相關股份中的權益及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：

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	41.19
Venturepharm Holdings Inc. (Note 2) (附註2)	Interest of controlled corporation 受控制法團權益	15,966,073	4.40
Bright Excel Assets Limited (Note 2) (附註2)	Beneficial owner 實益擁有人	15,966,073	4.40
William Xia GUO (Notes 1, 2 and 3) 郭夏 (附註1、2及3)	Beneficial owner and interest of controlled corporations 實益擁有人及受控制法團權益	182,069,033	49.07

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Long positions in shares and underlying shares of the Company

Note 1: Venturepharm Holdings Inc. is 47.63% directly held by Mr. William Xia GUO and 44.94% held by Mr. William Xia GUO 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% beneficially owned by Venturepharm Holdings Inc.

Note 3: Apart from shares held through Venturepharm Holdings Inc., the interest of 16,310,377 shares comprising of 7,200,000 and 360,000 shares underlying the options granted to him under the Pre-IPO Share Option Scheme and Share Option Scheme respectively are beneficially owned by Mr. William Xia GUO.

Save as disclosed above, as at 31 December 2008, there was no other persons who was 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 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 18 to the financial statements, no other contracts of significance to which the Company or 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.

於本公司股份及相關股份之好倉

附註1：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 Agent Limited（於英屬處女群島註冊成立，由郭先生全資實益擁有）持有44.94%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股股份權益，其中包括根據首次公開售股前購股權計劃及購股權計劃授予彼之購股權所涉及分別7,200,000股股份及360,000股股份。

除上文所披露者外，於二零零八年十二月三十一日，按本公司登記冊記錄，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條列入該條所述登記冊之權益或淡倉。

董事於重大合約之權益

除財務報表附註18披露者外，於年結日或年內任何時間，概無存在本公司或其任何附屬公司為其中訂約方及本公司董事於當中直接或間接擁有重大權益之重大合約。

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS SCHEME

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 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 31 December 2007, 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 31 December 2008 are as follows:

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 購股權於授出 日期後可予行使期限	Exercise price per share 每股行使價	Number of underlying shares under the option as at 20.6.2003 and 31.12.2008 於二零零三年六月二十日及 二零零八年十二月三十一日 購股權涉及之相關股份數目
William Xia GUO (Notes 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 (Notes 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) 一名其他參與者 (附註3)	10 years 十年	HK\$0.40 0.40港元	1,800,000
			11,520,000

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。於二零零八年十二月三十一日，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。於二零零八年十二月三十一日，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：

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Note 1: Options granted to each of them contain a vesting schedule, pursuant to which may exercise up to 30% of the underlying shares after 31 December 2003, (subject to Note 2), up to another 30% of the underlying shares after 31 December 2004 and the balance after 31 December 2006.

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% of the underlying shares after 31 December 2002, up to another 30% of the underlying shares after 31 December 2003 and the balance after 31 December 2004. 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 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，及於二零零六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。

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As at 2 March 2005, options comprising a total of 4,042,000 underlying shares were granted. As at 31 December 2008, the options outstanding are 1,827,000 and 2,150,000 options granted pursuant to this Share Option Scheme had been cancelled or lapsed. Particulars of the outstanding options which have been granted under this Share Option Scheme as at 31 December 2008 are as follows:

於二零零五年三月二日，已授出涉及合共4,042,000股相關股份之購股權。於二零零八年十二月三十一日，有1,827,000份購股權尚未行使，及有2,150,000份根據該購股權計劃授出之購股權已被註銷或失效。於二零零八年十二月三十一日，有關根據購股權計劃授出之尚未行使購股權詳情如下：

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 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 2.3.2005 and 31.12.2008 於二零零五年三月二日及 二零零八年十二月三十一日 購股權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 其他董事	10 years 十年	HK\$0.52 0.52港元	720,000
Other participant 其他參與者	10 years 十年	HK\$0.52 0.52港元	747,000
			1,827,000

DIRECTORS' REPORT 董事會報告

3. 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.

As at 14 December 2005, options comprising a total of 1,458,000 underlying shares were granted. As at 31 December 2008, the options outstanding are 619,200 and 810,000 options granted pursuant to this Share Option Scheme had been cancelled or lapsed. Particulars of the outstanding options which have been granted under this Share Option Scheme as at 31 December 2008 are as follows:

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 購股權於授出日期後可予行使期限	Exercise price per share 每股行使價	Number of underlying shares under the option as at 14.12.2005 and 31.12.2008
			於二零零五年十二月十四日及二零零八年十二月三十一日購股權涉及之相關股份數目
William Xia GUO 郭夏	10 years 十年	HK\$0.45 0.45港元	360,000
4 participants 4名參與者	10 years 十年	HK\$0.45 0.45港元	259,200
			619,200

3. 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。

於二零零五年十二月十四日，已授出涉及合共1,458,000股相關股份之購股權。於二零零七年十二月三十一日，有619,200份購股權尚未行使，及有810,000份根據購股權計劃授出之購股權已被註銷或失效。於二零零八年十二月三十一日，有關根據購股權計劃授出之尚未行使購股權詳情如下：

DIRECTORS' REPORT

董事會報告

4. 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.

As at 10 August 2006, options comprising a total of 4,118,000 underlying shares were granted. As at 31 December 2008, the options outstanding are 3,435,900 and 950,400 options granted pursuant to this Share Option Scheme had been cancelled or lapsed. Particulars of the outstanding options which have been granted under this Share Option Scheme as at 31 December 2008 are as follows:

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 購股權於授出 日期後可予行使期限	Exercise price per share 每股行使價	Number of underlying shares under the option as at 10.8.2006 and 31.12.2008 於二零零六年八月十日及 二零零八年十二月三十一日 購股權涉及之相關股份數目
William Xia GUO 郭夏	10 years 十年	HK\$0.36 0.36港元	324,000.00
Other directors 其他董事	10 years 十年	HK\$0.36 0.36港元	792,000.00
Other participant 其他參與者	10 years 十年	HK\$0.36 0.36港元	1,800,900
			2,916,900

4. 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。

於二零零六年八月十日，已授出涉及合共4,118,400股相關股份之購股權。於二零零八年十二月三十一日，有3,435,900份購股權尚未行使，及有950,400份根據購股權計劃授出之購股權已被註銷或失效。於二零零八年十二月三十一日，有關根據購股權計劃授出之尚未行使購股權詳情如下：

DIRECTORS' REPORT 董事會報告

5. 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.

As at 10 May 2007, options comprising a total of 7,568,000 underlying shares were granted. As at 31 December 2007, the options outstanding are 6,573,100 and 762,800 options granted pursuant to this Share Option Scheme had been cancelled or lapsed. Particulars of the outstanding options which have been granted under this Share Option Scheme as at 31 December 2008 are as follows:

Name of grantees 承授人姓名	Period during which the options remain exercisable after the date of grant 購股權於授出 日期後可予行使期限	Exercise price per share 每股行使價	Number of underlying shares under the option as at 10.5.2007 and 31.12.2008 於二零零七年五月十日及 二零零八年十二月三十一日 購股權涉及之相關股份數目
William Xia GUO 郭夏	10 years 十年	HK\$0.625 0.625港元	966,000.00
Other directors 其他董事	10 years 十年	HK\$0.625 0.625港元	956,000.00
Other participant 其他參與者	10 years 十年	HK\$0.625 0.625港元	4,651,100.00
			6,573,100

COMPETING INTERESTS

As at 31 December 2008, 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.

5. 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。

於二零零七年五月十日，已授出涉及合共7,568,000股相關股份之購股權。於二零零八年十二月三十一日，有6,573,100份購股權尚未行使，及有762,800份根據購股權計劃授出之購股權已被註銷或失效。於二零零八年十二月三十一日，有關根據購股權計劃授出之尚未行使購股權詳情如下：

競爭權益

於二零零八年十二月三十一日，本公司之董事或管理層股東及彼等各自之聯繫人士（定義見創業板上市規則）概無於任何與本集團業務構成或可能構成競爭的業務中擁有權益。

DIRECTORS' REPORT

董事會報告

BOARD PRACTICE AND PROCEDURES

Since the listing of the Company, the Company has complied with Board Practices and Procedures as set out in Rules 5.46 to 5.68 of the GEM Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent Non-executive Directors an annual confirmation for independence pursuant to Rule 5.09 of the GEM Listing Rules. The Independent Non-executive Directors have confirmed that they are independent.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2008.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest customers of the Group accounted for approximately 22% of the Group's sales. The largest customer accounted for approximately 6% of the sales of the Group.

Aggregate purchases attributable to the Group's five largest suppliers were less than 10% 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.

董事會常規及程序

本公司自上市以來，一直遵守創業板上市規則第5.46至5.68條載列之董事會常規及程序。

獨立非執行董事之獨立性

本公司已根據創業板上市規則第5.09條收到各獨立非執行董事獨立性之年度確認。各獨立非執行董事已確認屬獨立人士。

購買、出售或贖回本公司股份

截至二零零八年十二月三十一日止年內，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股份。

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22%。最大客戶佔本集團銷售額約6%。

本集團五大供應商應佔總購貨額少於本集團總購貨額10%。

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。

DIRECTORS' REPORT

董事會報告

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

UHY VOCATION HK CPA Limited was appointed as the auditors of the Company.

On behalf of the Board

Chairman

William Xia GUO

Beijing, the PRC, 25 March 2009

優先購股權

本公司之公司組織章程細則或開曼群島法例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份。

核數師

天職香港會計師事務所有限公司獲委任為本公司核數師。

代表董事會

主席

郭夏

中國北京，二零零九年三月二十五日

CORPORATE GOVERNANCE REPORT

企業管治報告

(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”) save with certain deviations in respect of the roles of chairman and chief executive officer.

(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 throughout the year ended 31 December 2008.

(1) 企業管治常規

本公司依循創業板上市規則附錄15所載原則及全面遵守當中所載守則條文（「企業管治常規守則」），當中只有數項偏離，是有關主席與行政總裁之角色。

(2) 董事之證券交易

本公司已遵照創業板上市規則所載條文，採納上市發行人董事進行證券交易的公司守則，作為本公司就二零零五年六月二十九日起董事買賣證券之操守準則。經向全體董事作出具體查詢後，董事確認，彼等於截至二零零八年十二月三十一日止年度全年，一直遵守公司守則所載規定準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

(3) BOARD OF DIRECTORS

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



Notes:

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

FENG Tao
WU Xin
Nathan Xin ZHANG

(b) Apart from Nathan Xin ZHANG and Wang Hongbo, who 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.

On 11 July 2008, the service contract with each director other than Nathan Xin ZHANG and WANG Hong Bo, expired and be renewed for one more year.

(3) 董事會

本公司整體管治結構如下：

附註：

(a) 年內及截至本報告日期，本公司之在任非執行董事為：

馮濤
吳欣
張欣

(b) 除張欣及王紅波並無訂立服務合約外，各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。

二零零八年七月十一日，除張欣及王紅波外，各董事之服務合約已屆滿並獲續簽一年。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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 eight Directors, with two 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.

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 receives 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 2008. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Company’s Articles of Association.

- (c) 除上文所披露者外，概無擬於應屆即將召開之股東週年大會上重選之董事與本公司或其任何附屬公司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事務之管理，以提升股東價值為目的。

本公司董事會由合共八名董事組成，其中兩名為執行董事、三名為非執行董事及三名為獨立非執行董事。三分之一之董事會成員為獨立非執行董事，當中一名具合適專業資格。董事會定期檢討其組成，以確保於適當之專業知識、技能及經驗中取得平衡，以配合本公司業務需要。全體獨立非執行董事均符合上市規則第3.13條所載獨立指引，且遵照有關指引條文屬獨立身份。

董事會由主席領導，負責審批及監管本集團整體策略及政策；批准年度預算與業務計劃；評估本集團表現；及監督管理層。主席其中一項重要職務，為領導董事會，以確保董事會以本集團最佳利益行事。任何建議載入議程之事項均會徵詢全體董事意見。憑藉執行董事及公司秘書之支持，主席致力確保全體董事及時獲妥為知會於董事會會議提出之事項，並獲取足夠及可靠資料。

本公司會就每年定期董事會會議事先編列時間表，以便全體董事有機會出席。於二零零八年，曾於各季度間安排舉行四次定期董事會會議。根據本公司之公司組織章程細則，董事可親身或透過電子通訊方式出席會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

During the twelve months ended 31 December 2008, the Board met and held four meetings in March, May, August and November 2008. The attendance records of the aforementioned four Board meetings are set out below:

董事會文件會於董事會會議舉行最少七天前傳閱，以確保董事能就將於董事會會議提出之事項作出知情決定。公司秘書及合資格會計師須出席所有定期董事會會議，並於需要時就企業管治、法定規例、會計及財務事項提供意見。董事應可獲取本集團所有資料，並能於董事認為需要時取得獨立專業意見。公司秘書協助主席編製會議議程，而各董事可要求於議程載入項目。董事會會議記錄由公司秘書存管，並可供董事查閱。

截至二零零八年十二月三十一日止十二個月，董事會曾於二零零八年三月、五月、八月及十一月舉行四次會議。上述四次董事會會議之出席記錄載列如下：

Attendance of individual directors at board meetings during the year

年內個別董事之董事會會議出席率

		Attendance no.	Attendance rate
		出席次數	出席率
Executive Director			
執行董事			
William Xia GUO	郭夏	4/4	100%
Maria Xuemei SONG	宋雪梅	4/4	100%
Non-executive Directors			
非執行董事			
FENG Tao	馮濤	4/4	100%
WU Xin	吳欣	4/4	100%
Nathan Xin ZHANG	張欣	4/4	100%
Independent Non-executive Directors			
獨立非執行董事			
WANG Hong Bo	王紅波	4/4	100%
Paul CONTOMICHALOS	Paul CONTOMICHALOS	4/4	100%
WU Ming Yu	吳明瑜	4/4	100%

CORPORATE GOVERNANCE REPORT

企業管治報告

(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 Officer 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.

(5) REMUNERATION OF DIRECTORS

Currently, the Remuneration Committee comprises the Chairman of the Board Mr. William Xia GUO, a Non-executive Director Mr. FENG Tao 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.

(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.

(4) 主席及行政總裁

董事會主席負責領導董事會及使其有效運作，以確保董事會及時且具建設性地討論所有重要及適當事項。

然而，本公司尚未委任任何行政總裁。現時，本公司業務之日常管理由執行董事及高級管理人員執行，彼等負責經營本集團業務及推行本集團策略，以達致本公司整體商業目標。

(5) 董事酬金

現時，薪酬委員會由董事會主席郭夏先生、非執行董事馮濤先生及獨立非執行董事Paul CONTOMICHALOS先生組成。郭夏先生為薪酬委員會主席。

薪酬委員會之主要職責為就有關董事及高級管理人員全部酬金之本公司政策及結構，向董事會提出推薦意見，並參考董事會不時議決之公司目標及宗旨，檢討全體執行董事及高級管理人員之特定酬金組合。

(6) 提名董事

根據本公司之公司組織章程細則，董事提名由董事會決定，並須獲股東於股東大會批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

(7) AUDITORS' REMUNERATION

The coming annual general meeting should approve the appointment of UHY ZTHZ HK CPA Limited as the auditors of the Group and that the Board is and be hereby authorized to fix auditors' remuneration. Non-audit services were not provided by previous auditors to the Company during the twelve months ended 31 December 2008.

(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. WANG Hong Bo, Mr. Paul CONTOMICHALOS and Mr. WU Ming Yu. Mr. WANG Hong Bo is the chairman of the audit committee.

(7) 核數師酬金

於即將舉行之股東週年大會上將批准委聘天職香港會計師事務所有限公司為本集團核數師，董事會謹此獲授權釐定核數師酬金。截至二零零八年十二月三十一日止十二個月期間，前任核數師並無向本公司提供非審核服務。

(8) 審核委員會

審核委員會已成立，並遵照創業板上市規則書面訂明其職權範圍。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王紅波先生、Paul CONTOMICHALOS先生及吳明瑜先生組成，王紅波先生為審核委員會之主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

The audit committee holds meetings on quarterly basis. During the twelve months ended 31 December 2008, the audit committee held four meetings and reviewed the Group's annual report, quarterly and interim financial results. The attendance records of the aforementioned four audit committee meetings are set out below:

審核委員會每季舉行會議一次。截至二零零八年十二月三十一日止十二個月，審核委員會曾舉行四次會議，並已審閱本集團之年度報告、季度及中期財務業績。上述四次審核委員會會議之出席記錄載列如下：

		Attendance of member at audit committee meetings during the year 年內審核委員會成員之出席率	
		Attendance no. 出席次數	Attendance rate 出席率
Members	成員		
WANG Hong Bo	王紅波	4/4	100%
Paul CONTOMICHALOS	Paul CONTOMICHALOS	4/4	100%
WU Ming Yu	吳明瑜	4/4	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) 董事瞭解彼等有關財務報表之責任

董事瞭解，彼等全權負責編製財務報表。

AUDITOR'S REPORT

核數師報告書



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VENTUREPHARM LABORATORIES LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Venturepharm Laboratories Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 50 to 134 which comprise the consolidated and the Company balance sheets as at 31st December 2008, and the consolidated income statement, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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)

全體股東之獨立核數師報告

本核數師已完成審核第50至第134頁所載萬全科技藥業有限公司(「本公司」)及附屬公司(「本集團」)的綜合財務報表，包括於二零零八年十二月三十一日之綜合資產負債表及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，及主要會計政策概要及其他說明附註。

董事編制財務報表之責任

董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編制並真實兼公平地呈列此等財務報表。此責任包括設計、實行及維持與編制並真實兼公平地呈列財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論是否其由欺詐或錯誤引起)，選擇並應用適當會計政策；及在不同情況下作出合理之會計估算。

AUDITOR'S REPORT

核數師報告書

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

核數師之責任

本核數師之責任是根據吾等審核之結果對此等財務報表作出意見，並僅向全體股東呈報，除此之外本報告別無其他用途。本核數師概不就本報告之內容向任何其他人負上或承擔任何責任。

本核數師已按照香港會計師公會所頒佈之香港核數準則進行審核工作。該等準則要求本核數師遵守操守規定，以及計劃及進行審核以合理地確定本財務報表確實不存在重大錯誤陳述。

審核範圍包括進程序以取得與財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估財務報表之重大錯誤陳述（不論是否由欺詐或錯誤引起）之風險。在作出該等風險評估時，核數師將考慮與貴公司編製並真實兼公平地呈列財務報表有關之內部監控，以及為不同情況設計適當審核程序，但並非旨在就貴公司內部監控是否有效表達意見。審核範圍亦包括評估所用之會計政策之恰當性，董事所作之會計估算之合理性，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師所取得之審核憑證就提出審核意見而言屬充分及恰當。

AUDITOR'S REPORT

核數師報告書

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st December 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

UHY VOCATION HK CPA Limited

Certified Public Accountants

David Tze Kin NG,

Auditor

Practising Certificate Number P553

March 25, 2009

意見

本核數師認為，根據香港財務報告準則編制之綜合財務報表足以真實兼公平地顯示 貴公司及 貴集團於二零零八年十二月三十一日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編制。

天職香港會計師事務所有限公司

執業會計師

吳梓堅

核數師

執業證書編號P553

二零零九年三月二十五日

CONSOLIDATED INCOME STATEMENT

綜合收益表

		Year ended 31st December	
		截止十二月三十一日年度	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		Note	
		附註	
Revenue	營業收入	5	39,186
Cost of sales	營業成本		(23,804)
Gross profit	毛利		15,382
Administrative expenses	行政開支		(47,544)
Other income	其它收入	22	12,315
Operating (loss)/profit	營業收入	24	(19,847)
Finance income	利息收入	23	573
Finance costs	財務費用	23	(7,968)
Finance costs – net	財務費用 – 淨值	23	(7,395)
(Loss)/profit before income tax	稅前利潤		(27,242)
Income tax	所得稅	26	9,930
(Loss)/profit for the year	淨利潤		(17,312)
Attributable to:	應佔：		
Equity holders of the Company	本公司權益持有人		(16,354)
Minority interest	少數股東收益		(958)
			(17,312)
Basic (loss)/earnings per share	基本每股收益	28	(4.52) CENTS
			(4.52) 仙
Diluted (loss)/earnings per share	攤薄每股收益	28	(2.94) CENTS
			(2.94) 仙

The notes on pages 55 to 134 are an integral part of these financial statements.

隨附55至134頁附註為財務報表組成部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		As at 31st December	
		截止十二月三十一日	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	10,920	11,267
New drugs technology	新藥技術	10,445	6,958
Investment in an associate	於聯營公司之權益	-	833
Deferred tax assets	遞延稅項資產	8,128	-
		29,493	19,058
Current assets	流動資產		
Work-in-progress	在製品	56,286	66,503
Trade receivables	應收貿易賬款	13,200	30,721
Prepayments, deposits and other receivables	預付賬款、按金及 其它應收賬款	34,435	34,841
Amounts due from related companies	應收關聯公司款項	-	629
Financial assets at fair value through profit or loss	按公平值透過損益記賬之 金融資產	46,684	72,409
Cash and cash equivalents	現金及現金等價物	6,711	30,803
		157,316	235,906
Total assets	總資產	186,809	254,964
EQUITY	所有者權益		
Capital and reserves attributable to equity holders of the company	本公司股權持有人 應佔權益		
Ordinary shares	股本	38,407	38,160
Reserves	儲備	66,329	82,484
		104,736	120,644
Minority interest in equity	少數股東權益	1,620	2,592
Total equity	所有者權益總額	106,356	123,236
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	65,785	95,936
Current liabilities	流動負債		
Trade and other payables	應付貿易賬款及其它應付款	8,161	5,522
Receipt in advance	預收賬款	4,378	24,207
Income tax liabilities	應交所得稅	2,129	6,060
Borrowings	短期借款	-	3
		14,668	35,792
Total liabilities	負債總額	80,453	131,728
Total equity and liabilities	所有者權益及負債總額	186,809	254,964
Net current assets	流動資產淨值	142,648	200,114
Total assets less current liabilities	總資產減流動負債	172,141	219,172

Approved and authorised for issue by the board of directors on 25 March 2009:

Mr. William Xia GUO
Director

Dr. Maria Xuemei SONG
Director

董事
郭夏先生

董事
宋雪梅博士

董事會已於二零零九年三月二十五日批准及授權刊發：

The notes on pages 55 to 134 are an integral part of these financial statements.

隨附55至134頁附註為財務報表組成部份。

BALANCE SHEET

資產負債表

		As at 31st December	
		截止十二月三十一日	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note		
	附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	6	-
Investments in subsidiaries	於附屬公司之投資	8	75,376
			64,743
			75,376
			64,749
Current assets	流動資產		
Other receivables	其它應收款		5,218
Amount due from a related company	應收關聯公司款項	14	-
Financial assets at fair value through profit or loss	交易性金融資產	15	45,851
Cash and cash equivalents	現金及現金等價物	16	3,316
			72,409
			17,193
			54,385
			91,084
Total assets	資產總額		129,761
			155,833
EQUITY	所有者權益		
Capital and reserves attributable to the company's equity holders	本公司股權持有人應佔權益		
Ordinary shares	股本	17	38,407
Reserves	儲備	18	21,854
			38,160
			21,620
Total equity	所有者權益合計		60,261
			59,780
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	20	65,785
			95,936
Current liabilities	流動負債		
Trade and other payables	應付貿易賬款及其他應付款	19	3,715
Borrowings	短期借款	20	-
			114
			3
			3,715
			117
Total liabilities	負債總額		69,500
			96,053
Total equity and liabilities	所有者權益及負債總計		129,761
			155,833
Net current assets	流動資產淨值		50,670
			90,967
Total assets less current liabilities	總資產減流動負債		126,046
			155,716

Approved and authorised for issue by the board of directors on 25 March 2009:

Mr. William Xia GUO
Director

Dr. Maria Xuemei SONG
Director

董事
郭夏先生

董事
宋雪梅博士

董事會已於二零零九年三月二十五日批准及授權刊發：

The notes on pages 55 to 134 are an integral part of these financial statements.

隨附55至134頁附註為財務報表組成部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

		Share- based payment reserve	Available- for-sales financial assets reserve	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise expansion fund	Retained earnings	Minority interests	Total	
		Share capital	可供銷售 金融資產 儲備	特別儲備	資本儲備	法定儲備	法定企業 發展基金	保留盈利	少數股東 權益	合計	
		RMB'000	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	人民幣千元	
At 1st January 2007	於二零零七年一月一日	38,160	53	(1,032)	6,039	894	3,803	6,986	64,144	3,089	122,136
Transfer to reserves	轉撥至儲備	-	2,800	1,032	-	6	-	-	(3,838)	-	-
Profit for the year	本年度溢利	-	-	-	-	-	-	-	1,597	(497)	1,100
At 31st December 2007 and at 1st January 2008	於二零零七年 十二月三十一日及 二零零八年一月一日	38,160	2,853	-	6,039	900	3,803	6,986	61,903	2,592	123,236
Share premium for exercise of share option	期權行使股份儲備	-	-	-	-	199	-	-	-	-	199
New issue of shares	新發股份	196	-	-	-	-	-	-	-	-	196
Issue of new shares pursuant to exercise of share options	行使期權新發股份	51	-	-	-	-	-	-	-	-	51
Exercise of share option	行使期權	-	(87)	-	-	87	-	-	-	-	-
Disposal of interest in a subsidiary with minority shareholders	處置子公司的少數 股東權益	-	-	-	-	-	-	-	-	(14)	(14)
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(16,354)	(958)	(17,312)
At 31st December 2008	於二零零八年 十二月三十一日	38,407	2,766	-	6,039	1,186	3,803	6,986	45,549	1,620	106,356

The notes on pages 55 to 134 are an integral part of these financial statements.

隨附55至134頁附註為財務報表組成部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

		Year ended 31st December	
		於12月31日	
		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash used in operations	經營活動所用現金	29	(24,890)
Interest paid	利息支出		(3,634)
Income tax paid	所得稅支出		(2,129)
Net cash used in operating activities	經營活動現金淨流出		(30,653)
Cash flows from investing activities	投資活動之現金流量		
Decrease in unlisted investment	減少非上市投資		-
Purchase of property, plant and equipment	購買物業、廠房及設備	6	(2,387)
Decrease in investment in an associate	減少聯營企業投資		-
Decrease in available for sales investment	減少可供出售投資		-
Decrease/(increase) in financial assets at fair value through profit or loss	增加交易性金融資產		7,753
Interest received	收到利息		752
Net cash used in investing activities	投資活動現金淨流出		6,118
Cash flows from financing activities	籌資活動產生的現金流量		
Proceeds from issuance of new shares	發行股票所得現金		446
Repayment of borrowings	償還借款所付現金		-
Increase in corporate bonds payable	發行公司債券所得現金		-
Net cash generated from financing activities	籌資活動現金淨流入		446
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	現金及現金等價物淨增加額		(24,089)
Cash, cash equivalents and bank overdrafts at the beginning of the year	現金及現金等價物期初餘額		30,800
Cash, cash equivalents and bank overdrafts at the end of the year	現金等價物的期末餘額	16	6,711

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. GENERAL INFORMATION

Venturepharm Laboratories Limited (the “Company”) and its subsidiaries (together the “Group”) was incorporated in the Cayman Islands on 21st May 2002 as an exempted company with limited liability under the Companies Law (2002 Revision) of the Cayman Islands. The address of its registered office is Scotia Centre, 4th Floor, PO Box 2804, George Town, Grand Cayman, Cayman Islands, and its principal place of business is disclosed in “Corporate Information” of the annual report.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associates are set out in notes 8 and 9 respectively.

The consolidated financial statements are presented in thousands of units of Renminbi (“RMB’000”) which is the functional currency of the Company.

The consolidated financial statements for the year ended 31st December 2008 were approved for issue by the board of directors on 25 March 2009.

1. 公司資料

萬全科技藥業有限公司（以下簡稱公司）及其附屬公司（以下統稱集團）於二零零二年五月二十一日根據開曼群島公司法（二零零二年修訂版）在開曼群島註冊成立為獲豁免有限責任公司，其註冊辦事處地址為Scotia Centre, 4th Floor, PO Box 2804, George Town, Grand Cayman, Cayman Islands，而其主要營業地點披露於本年報「公司資料」內。

本公司之主要業務為投資控股，其附屬公司及聯營公司之主要業務分別載於附註8及9。

本綜合財務報表以本公司的功能貨幣人民幣千元編製。

截至二零零八年十二月三十一日止年度之綜合財務報表已於二零零九年三月二十五日經董事會批准刊發。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2. 主要會計政策概要

編製該等綜合財務報表所用主要會計政策載列如下。除另有說明者外，該等政策貫徹應用於所有呈報年度。

2.1 編製基準

本集團綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」，其統稱詞匯包括香港會計師公會（「香港會計師公會」）頒佈之所有適用個別香港財務報告準則、香港會計準則及詮釋）編製。綜合財務報表亦包括香港公司條例及香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之適用披露規定。

編製符合香港財務報告準則之財務報表須使用若干關鍵會計估計。管理層亦須於應用本集團會計政策過程中行使其判斷。涉及高度判斷及複雜性之領域或綜合財務報表之假設及估計之領域披露於附註4。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

- (a) In 2008, the Group adopted the following standard, amendment and interpretations to existing standards that are effective in 2008 but are not relevant to the Group's operation.

HKAS 39	Financial instruments: Recognition and measurement
HK(IFRIC) – Int 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) – Int 12	Service Concession arrangements
HK(IFRIC) – Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

- (b) *Amendment to existing standard that is not yet effective and has not been early adopted by Group.*

The following amendment to existing standard has been published and is mandatory for the Group's accounting periods beginning on or after 1st January 2009 or later periods, but the Group has not early adopted them:

HKAS 1 (Revised)	Presentation of financial statements (effective from 1st January 2009)
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2. 主要會計政策概要 (續)

2.1 編製基準 (續)

- (a) 以下為已公佈對現有準則之修訂及詮釋，於二零零八年生效，但與本集團之營運無關。

HKAS 39	金融工具：確認及計量
HK(IFRIC) – Int 11	HKFRS 2 – 集團及 財政股份交易
HK(IFRIC) – Int 12	服務特許權之安排
HK(IFRIC) – Int 14	HKAS 19 – 界定福利 資產限額、 最低資金要求及 兩者相互關係

- (b) *現行準則的修訂當尚未生效，公司亦無提前採用*

下列對現行準則的修訂尚未生效，公司亦無提前採用以下對現行準則的修訂已公佈並要求公司自二零零九年一月一日起或之後會計期間執行，公司無提前採用：

HKAS 1 (Revised)	財務報表列報 (二零零九年 一月一日生效)
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NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by Group.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January 2009 or later periods but are not relevant for the Group's operations:

HKAS 1 (Amendment)	Presentation of financial statements (effective from 1st January 2009)
HKAS 16 (Amendment)	Property, plant and equipment (and consequential amendment to HKAS 7, "Statement of cash flows") (effective from 1st January 2009)
HKAS 19 (Amendment)	Employee benefits (effective from 1st January 2009)
HKAS 20 (Amendment)	Accounting for government grants and disclosure of government assistance (effective from 1st January 2009)
HKAS 23 (Amendment)	Borrowing costs (effective from 1st January 2009)
HKAS 23 (Revised)	Borrowing costs (effective from 1st January 2009)
HKAS 27 (Amendment)	Consolidated and separate financial statements (effective from 1st January 2009)
HKAS 27 (Revised)	Consolidated and separate financial statements (effective from 1st July 2009)
HKAS 28 (Amendment)	Investments in associates (and consequential amendments to HKAS 32, Financial Instruments: Presentation and HKFRS 7, Financial instruments: Disclosures) (effective from 1st January 2009).

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

- (c) 尚未生效，公司亦無提前採用的準則、(對現行準則的) 修訂及詮釋

以下為已公佈並要求本機圖自二零零九年一月一日起或之後會計期間執行，但與公司經營無關的準則、對現行準則的修訂及詮釋

HKAS 1 (修正版)	財務報表列報 (二零零九年一月一日生效)
HKAS 16 (修正版)	物業、廠房及設備 (及隨後修正為HKAS 7, 「現金流量表」) (二零零九年一月一日生效)
HKAS 19 (修正版)	職工福利 (二零零九年一月一日生效)
HKAS 20 (修正版)	政府撥款的記賬及政府補助的披露 (二零零九年一月一日生效)
HKAS 23 (修正版)	借款費用 (二零零九年一月一日生效)
HKAS 23 (修定版)	借款費用 (二零零九年一月一日生效)
HKAS 27 (修正版)	綜合及單戶財務報表 (二零零九年一月一日生效)
HKAS 27 (修定版)	綜合及單戶財務報表 (二零零九年七月一日生效)
HKAS 28 (修正版)	聯營公司投資 (及隨後修正為HKAS32, 「金融工具：在財務報表中的列報」及HKAS7, 金融工具：披露) (二零零九年一月一日生效)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by Group. (Continued)

HKAS 29 (Amendment)	Financial reporting in hyperinflationary economies (effective from 1st January 2009)
HKAS 31 (Amendment)	Interests in joint ventures (and consequential amendments to HKAS 32 and HKFRS 7) (effective from 1st January 2009)
HKAS 32 (Amendment)	Financial instruments: Presentation (effective from 1st January 2009)
HKAS 36 (Amendment)	Impairment of assets (effective from 1st January 2009)
HKAS 38 (Amendment)	Intangible assets (effective from 1st January 2009)
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement (effective from 1st January 2009)
HKAS 40 (Amendment)	Investment property (and consequential amendments to HKAS16) (effective from 1st January 2009)
HKAS 41 (Amendment)	Agriculture (effective from 1st January 2009)
HKFRS 1 (Amendment)	First time adoption of HKFRS (effective from 1st January 2009)
HKFRS 2 (Amendment)	Share-based payment (effective from 1st January 2009)
HKFRS 3 (Revised)	Business combinations (effective from 1st July 2009)

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 尚未生效·公司亦無提前採用的準則·(對現行準則的)修訂及詮釋(續)

HKAS 29 (修正版)	惡性通貨膨脹下的財務報告 (二零零九年一月一日生效)
HKAS 31 (修正版)	聯營公司權益 (及隨後修正為HKAS 32和HKFRS 7) (二零零九年一月一日生效)
HKAS 32 (修正版)	金融工具： 在財務報表中的列報 (二零零九年一月一日生效)
HKAS 36 (修正版)	資產減值 (二零零九年一月一日生效)
HKAS 38 (修正版)	無形資產 (二零零九年一月一日生效)
HKAS 39 (修正版)	金融工具：認定與計量 (二零零九年一月一日生效)
HKAS 40 (修正版)	投資性資產 (隨後修正為HKAS16) (二零零九年一月一日生效)
HKAS 41 (修正版)	農業(二零零九年一月一日生效)
HKFRS 1 (修正版)	首次執行HKFRS (二零零九年一月一日生效)
HKFRS 2 (修正版)	股份支付 (二零零九年一月一日生效)
HKFRS 3 (修定版)	業務合併 (二零零九年七月一日起生效)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by Group. (Continued)

HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations (and consequential amendment to HKFRS 1, First-time adoption) (effective from 1st July 2009)
HKFRS 8	Operating segments (effective from 1 January 2009)
HK(IFRIC) – Int13	Customer loyalty programmes (effective from 1st July 2008)
HK(IFRIC) – Int15	Agreements for construction of real estates (effective from 1st January 2009)
HK(IFRIC) – Int16	Hedges of a net investment in a foreign operation (effective from 1st October 2008)
HK(IFRIC) – Int17	Distributions of non-cash assets to owners (effective from 1 July 2009)
HK(IFRIC) – Int18	Transfers of assets from customers (effective for transfers of assets from customers received from 1 July 2009)

There are a number of minor amendments to HKFRS 7, “Financial instruments: Disclosures”, HKAS 8, “Accounting policies, changes in accounting estimates and errors”, HKAS 10, “Events after the balance sheet date”, HKAS 18, “Revenue” and HKAS 34, “Interim financial reporting” which are not addressed above. These amendments are unlikely to have an impact on the Group’s financial statements and have therefore not been analysed in detail.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 尚未生效，公司亦無提前採用的準則、(對現行準則的) 修訂及詮釋 (續)

HKFRS 5 (修訂版)	供出售非流動資產和終止的營業 (隨後修正為HKFRS 1，首資執行) (二零零九年七月一日生效)
HKFRS 8	營業類別 (二零零九年一月一日生效)
HK(IFRIC) – Int13	客戶忠誠計劃 (二零零八年七月一日生效)
HK(IFRIC) – Int15	房地產建築合同 (二零零九年一月一日生效)
HK(IFRIC) – Int16	境外淨投資套期保值 (二零零八年十月一日起生效)
HK(IFRIC) – Int17	非現金資產分配予股東 (二零零九年七月一日起生效)
HK(IFRIC) – Int18	與客戶間的資產轉讓 (二零零九年七月一日起生效)

另外還有許多上面沒有提及的小的修訂如HKFRS 7，「金融工具：披露」，HKAS 8，「會計政策、會計估計變更和差錯更正」，HKAS 10，「資產負債表日後事項」，HKAS 18，「收入」和HKAS 34，「中期財務報告」這些修訂不會影響本集團財務報表，故沒有詳細述。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional and presentation currency of the Group and Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

2.3 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31st December.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2. 主要會計政策概要 (續)

2.2 外幣交易

(a) 功能及列賬貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。本集團及公司之功能及呈報貨幣為人民幣（「人民幣」）。綜合財務報表以人民幣呈列。

(b) 交易和餘額

外幣交易均按交易或估值當日之現行匯率換算為功能貨幣。因該等交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於收益表確認。

2.3 綜合

綜合財務報表包括本公司及其全部附屬公司十二月三十一日的財務報表。

(a) 附屬公司

附屬公司指本集團有權管控其財政及營運政策之所有實體包括特殊目的之實體，一般持有其超過半數投票權之股權。在評定本集團是否控制另一實體時，目前可行使或可兌換之潛在投票權之存在及影響均予以考慮。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.3 Consolidation (Continued)

(a) Subsidiaries (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.5). The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策概要 (續)

2.3 綜合 (續)

(a) 附屬公司 (續)

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團按收購會計法將所收購附屬公司入賬。收購成本為於交換日期特定資產、已發行股本工具及所產生或承擔負債之公平值，加收購直接應計成本。業務合併時購入之已識別資產及承擔之負債和或然負債，首次按收購日期之公平值計算，不計及任何少數股東權益。收購成本超出本集團應佔購入已識別資產淨值公平值之差額列作商譽入賬。倘收購成本低於購入附屬公司之資產淨值公平值，則直接於收益表確認差額。

集團內公司之間之交易、交易結餘及未實現收益均予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列賬(附註2.5)。附屬公司之業績由本公司按已收及應收股息入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.3 Consolidation (Continued)

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group and are recorded in the consolidated income statement. Purchase from minority interests result in goodwill, being the difference between any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary.

(c) Associate companies

Associate companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate companies includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associate companies' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate company equals or exceeds its interest in the associate company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate company. Unrealised gains on transactions between the

2. 主要會計政策概要 (續)

2.3 綜合 (續)

(b) 與少數股東之間的交易

集團與少數股東交易採用與集團外獨立客戶同樣之政策，與之相關的損益計入集團綜合收益表。購買附屬公司時，付款和附屬公司賬面淨值的相應份額之差異形成商譽。

(c) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權之實體，通常持有其20%－50%投票權之股權。聯營公司投資以權益會計法入賬，初始以成本確認。本集團於聯營公司之投資包括收購時已辨別之商譽（扣除任何累計減值虧損）損於收益表內確認，而應佔收購後盈利或虧損於綜合收益表內確認，應佔收購後儲備之變動則於儲備賬內確認。投資賬面值會根據累計之收購後投資值變動作出調整。

如本集團應佔一家聯營公司之虧損等於或超過其於該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.3 Consolidation (Continued)

(c) Associate companies (Continued)

Group and its associate companies are eliminated to the extent of the Group's interest in the associate companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also includes transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold improvements	5 years
Machinery and equipment	5 – 10 years
Motor vehicles	5 years

2. 主要會計政策概要 (續)

2.3 綜合 (續)

(c) 聯營公司 (續)

本集團與其聯營公司之間交易之未實現收益按集團於聯營公司權益之數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司之會計政策已按需要作出改變，以確保與本集團採用之政策一致。

2.4 物業、廠房及設備

物業、廠房和設備按歷史成本減折舊列賬。歷史成本包括收購該項目直接應佔之開支。成本亦可包括從權益中轉撥有關以外幣購買廠房及設備之合資格現金流量對沖所產生之任何收益虧損。

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，才包括在資產之賬面值或確認為獨立資產（按適用）。重置部份之賬面價值予以核銷。所有其他維修及保養在產生之財政期間內於損益表支銷。

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減累計減值虧損至估計餘值計算，其折舊年率如下：

租賃裝修	5年
機器及設備	5-10年
汽車	5年

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.4 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the consolidated income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.5 Impairment of investments in subsidiaries, associated companies and non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. 主要會計政策概要 (續)

2.4 物業、廠房及設備 (續)

資產之剩餘價值及可使用年期在各結算日進行檢查，及在適當時調整。

若資產之賬面值高於其估計可收回價值，其賬面值實時撇減至可收回金額（附註2.5）。

出售之損益乃按有關資產之銷售所得款項淨額與其賬面值之差額釐定，並列入損益表其他（虧損）收益－淨額中。重估資產出售時，則計入其他儲備內之金額將轉至保留盈利。

2.5 於附屬公司、聯營公司及非金融資產之投資減值

具無限期可使用年期或未能投入使用之資產不予攤銷，但須每年進行減值檢測。當有事件發生或情況改變顯示賬面值可能無法收回時，則須就資產減值進行檢討。減值虧損按資產賬面值超出其可收回金額之差額確認。可收回金額為資產公平值減銷售成本及使用價值兩者之較高者。評估減值時，資產按個別可識別現金流量（現金產生單位）之最低層次分類。於各報告日期，已減值商譽以外之資產將就撥回減值之可能性進行檢討。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.6 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprised "trade and other receivables" and "cash and cash equivalents" in the balance sheet (Notes 2.8 and 2.9).

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 主要會計政策概要 (續)

2.6 金融資產

本集團將其金融資產分類為以下類別：按交易性金融資產、貸款及應收款，以及可供出售。分類乃根據購入金融資產之目的進行。管理層在初始確認時釐定金融資產之分類。

(a) *交易性金融資產*

交易性金融資產持有作買賣用途之金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具分類為持作買賣資產，除非其被指定為對沖用途。此類別之資產分類為流動資產。

(b) *貸款及應收款項*

貸款及應收款項為有固定或可釐定付款且沒有在活躍市場上報價之非衍生金融資產。該項目列入流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款項於資產負債表分類列為「貿易及其他應收賬款」及「現金及現金等價物」(附註2.8及2.9)。

(c) *可供出售金融資產*

可供出售金融資產為被指定為此類別或並無分類為任何其他類別之非衍生工具。除非管理層有意在結算日後12個月內出售該項投資，否則該等資產列入非流動資產內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.6 Financial assets (Continued)

Regular way purchases and sales of financial assets are recognised on trade-date. The date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the period in which they arise. Dividend income from financial assets at par value through profit or loss is recognised in the consolidated income statement when the Group’s right to receive payment is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as “gains and losses from investment securities”.

2. 主要會計政策概要 (續)

2.6 金融資產 (續)

定期購入及出售之金融資產在交易日確認－交易日指本集團承諾購入或出售該資產之日期。對於並非按公平值透過損益記賬之所有金融資產，其投資初步按公平值加交易成本確認。按交易性金融資產，則初步按公平值確認，而交易成本則在損益表支銷。當從投資收取現金流量之權利經已到期或經已轉讓，而本集團已將擁有權之所有重大風險和回報實際轉讓時，金融資產即終止確認。可供出售金融資產及按公平值透過損益記賬之金融資產其後則按公平值列賬。貸款及應收款利用實際利率法按攤銷成本列賬。

來自「交易性金融資產」類別之公平值變動所產生之盈虧，列入產生期間收益表內之「其他(虧損)收益－淨額」中。來自按交易性金融資產之股息，於本集團收取有關款項之權利確定時，在收益表內確認為其他收入一部份。

以外幣計值並分類為可供出售貨幣證券之公平值變動，將按因證券之攤銷成本變動及證券賬面值之其他變動所產生之匯兌差異予以分列。匯兌差額於損益表確認，而賬面值之其他變動則於權益確認。分類為可供出售之貨幣證券及非貨幣證券之公平值變動於權益確認。

當分類為可供出售之證券售出或減值時，在權益中確認之累計公平值調整列入損益表內作為「投資證券之盈虧」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.6 Financial assets (Continued)

Interests on available-for-sale securities calculated using the effective interest method are recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets are impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. Impairment testing of trade receivables is described in (Note 2.6).

2. 主要會計政策概要 (續)

2.6 金融資產 (續)

可供出售證券以實際利率法計算之利息在損益表內確認為其他收入部份。可供出售權益工具之股息則於本集團收取有關款項之權利確定時在損益表內確認為其他收入一部份。

有報價之投資之公平值根據當時之買盤價計算。若某項金融資產之市場並不活躍(及就非上市證券而言)，本集團利用估值方法設定公平值。該等方法包括利用近期公平原則交易、參考大致相同之其他工具、貼現現金使用分析法和期權定價模式，充份利用市場數據而盡量少依賴實體特有之數據。

本集團於各結算日評估是否有客觀證據表明某項金融資產或某組金融資產經已減值。對於分類為可供出售之權益證券，證券公平值若大幅度或長期跌至低於其成本值，會被視為證券已經顯示減值。若可供出售金融資產存在此等證據，累計虧損(按收購成本與當時公平值之差額，減該金融資產之前在損益表確認之任何減值虧損計算)自權益中剔除並在損益表記賬。在損益表確認之權益工具減值虧損不會透過損益表撥回。應收貿易賬款及其他應收款項之減值測試在附註2.6中說明。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.7 Work-in-progress

Work-in-progress is 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.

Where the outcome of a pharmaceutical development and clinical research contract or service can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the total contract costs or the proportion that contract revenue billed or recognised for work performed to date bear to the total contract sums, whichever is the lower, except where this would not be representative of the stage of completion.

Where the outcome of a contract or service cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2. 主要會計政策概要 (續)

2.7 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。

倘能可靠地估計醫療發展及臨床研究合約或服務之結果，收益及成本會參照結算日之合約活動完成階段確認，並按工程進行至該日所產生之合約成本佔總合約成本之比例或工程進行至該日所計入或確認之合約收益佔總合約金額之比例(以較低者為準)計算，惟此方法並不能代表完成階段。

倘不能可靠地估計合約或服務之結果，則僅會將所產生而有可能收回之合約成本確認為合約收益。合約成本於產生期間確認為開支。

倘總合約成本可能超總合約收益，預期虧損會即時確認為開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.8 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of loss is recognised in the consolidated income statement within "administrative expenses". When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the consolidated income statement.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.10 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. 主要會計政策概要 (續)

2.8 應收貿易賬款及其他應收款

應收貿易賬款及其他應收款初步以公平值確認，其後利用實際利率法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款之原有條款收回所有款項時，即就應收貿易賬款及其他應收款設定減值撥備。債務人之重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收賬款已減值之跡象。撥備金額為資產之賬面值與按原實際利率折現之估計未來現金流量之現值之差額。資產之賬面值透過使用備付賬戶削減，而有關之虧損數額則在綜合收益表內之「管理費用」中確認。如一項應收貿易賬款無法收回，其會與應收貿易賬款內之備付賬戶撇銷。之前已撇銷之款項如其後收回，將撥回綜合收益表中之「管理費用」內。

2.9 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以下之其他短期高流動性投資，及銀行透支。

2.10 股本

普通股被列為權益。

直接由發行新股或購股權引致之新增成本在權益中列為所得款項之減少（扣除稅項）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.11 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Convertible bonds

Conversion options that are not settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments are recognised as financial instruments carried at fair value through profit or loss. On initial recognition, the fair value of the conversion option component is determined using an option-pricing model; and this amount is carried as a derivative liability until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. In subsequent periods, the derivative component is measured at fair value with gains and losses recognised in the income statement until extinguished on conversion or redemption.

2.13 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 主要會計政策概要 (續)

2.11 應付貿易賬款及其他應付款

應付貿易賬款及其他應付款初步以公平值確認，其後利用實際利率法按攤銷成本計量。

2.12 可轉換債券

不能以交換固定金額的現金和或其他金融資產來解付的可轉換債券被認為為交易性金融資產。於發行可換股債券時，衍生部份之公平值採用期權定價模式釐定；此金額並且被列作衍生負債，直至兌換或贖回為止。剩餘所得款額分配至負債部份，並按攤銷成本基準列為負債，直至兌換公平價計量，其盈虧於收益表內確認，直至兌換或贖回為止。

2.13 當期所得稅及遞延所得稅

當期所得稅費用是以資產負債表日本公司或其附屬公司或其聯營公司所在國已經頒佈或即將頒佈的稅率和應稅收入為基礎計算出來的。管理當局應定期評估稅收政策對其影響並以將要付給稅務局的金額為依據計提相應的撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.13 Current and deferred income tax (Continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.14 Employee benefits

(a) Pension obligations

The Group participates in various defined contribution retirement benefit schemes. A defined contribution plan is a retirement benefit scheme under which the Group pays fixed contributions into a separate entity. The schemes are generally funded through payments to government authorities or trustee-administered funds. The Group pays contributions on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contribution for post-retirement benefits beyond these fixed contributions. The contributions are recognised as employment costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. 主要會計政策概要 (續)

2.13 當期所得稅及遞延所得稅 (續)

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，並以負債法處理。倘暫時性差異因商譽（或負商譽）或因於一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中首次確認其他資產及負債而引致，該等資產及負債則不會被確認。遞延稅項以資產負債表日已經頒佈或即將頒佈的稅率來計算，遞延稅項負債一般就所有應課稅暫時性差異確認，遞延稅項資產則於很可能可扣減暫時性差異可對銷應課稅溢利時予以確認。

除非未來有應稅收入足以抵減其臨時性差異所影響稅額，才能確認遞延資產。

對附屬公司及聯營公司的臨時性差異不計提撥備，除非信集團能控制差異回轉期限，並且在可預見的將來，臨時性差異不回轉。

2.14 員工福利

(a) 養老金義務

集團參加了若干固定供款養老計劃。固定供款養老計劃是指一種集團付固定供款給專門機構的退休福利計劃。這種計劃通常經政府機構或信託管理基金，集團付供款以法定、契約、自願的形式，集團沒有法定或契約義務付超出固定供款的退休福利，到期時此供費用，預付供款以未來可收到現金退款或未來付款可減少金額應確認為資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.14 Employee benefits (Continued)

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2. 主要會計政策概要 (續)

2.14 員工福利 (續)

(b) 員工休假權利

員工享有的年假在員工提供服務的年度內確認預計負債，作為至資產負債表日至員工提供服務的費用。

員工病假及產假實際發生時才予以確認。

(c) 股份激勵計劃

本公司設有一項，以股本結算交易，股份支付交易之方式的購股權計劃，授予僱員之購股權按公平值確認為僱員成本，而權益中之資本儲備亦會相應增加。在行權期間，購股權的總金額由授出購股權的公平價值所決定，除非受非市場行權條件（比如：贏利或銷售增長目標）的影響，非市場行權條件包含於預期行權的購股權數量的假設每個資產負債日，企業須修正估計行權購股權的數量，並對修正初始估計對損益表及相應的權益的影響加以確認。

當購股權行權時，收益減去直接交易成本貸記股本和資本公積。

2.15 撥備

當本集團因過往事件承擔現有法律或推定責任；解除責任很有可能導致資源流出；且金額能夠可靠計算時，本集團將確認撥備；本集團不會就日後經營虧損作出撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.15 Provisions (Continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Revenues

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

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

2. 主要會計政策概要 (續)

2.15撥備 (續)

倘集團承擔若干類似責任，於釐定解除責任是否需要流出資源時，將以整類責任為考慮。只要同類責任當中任何一個項目有導致資源流出之甚低可能性，亦會確認撥備。

準備以未來解除此義務造成支出之現值來計量，使用當前市場貨幣價值和反應此義務風險的稅前利率。時間因素造成撥備的提高作為利息費用。

2.16收入

因轉讓新藥品開發及製劑數據而產生之收益於所有權之風險及回報轉移時確認，一般為化合物及數據交予客戶之時間。

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遞延處理，在該等款項於指定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。服務收入於提供服務時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.16 Revenues (Continued)

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.

Service income is recognised when services are provided.

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

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

Dividend income is recognised when the right to receive payment is established.

2.17 Government grants

Government grants are recognised in the balance sheet initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised in income statement on a systemic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted in arriving at the carrying amount of the asset and consequently are recognised in profit or loss over the useful life of the asset.

2. 主要會計政策概要 (續)

2.16 收入 (續)

以技術轉讓協議條款為準，及基於買方成功將運用轉讓技術的產品商業化，本集團將來或取得額外的特許權收入或利潤分成。倘有特許權收入或利潤分成，於確立收款權利時確認。

服務收入於服務提供時確認。

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。

金融資產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。

投資股息收入於股東收取付款之權利確立時確認。

2.17 政府資助

當可合理確定能收取政府資助且本集團將能符合所附帶之條件時，政府資助將首次於資產負債表中確認。補償本集團所招致開支之資助，在產生開支之同一期間於收益表內有系統地確認。補償本集團有關資產成本之資助，於達致該資產之賬面值時予以扣除，其後則按可使用年期於損益賬中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.18 New 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.

2.19 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.20 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's equity holders or directors, where appropriate.

2. 主要會計政策概要 (續)

2.18 新藥品技術開發成本

新藥品技術之研究開支於產生期內確認為支出。

僅在預期清楚界定之項目產生之開發成本將透過日後商業活動收回之情況下，方會確認新藥品技術開發開支產生之內部產生資產。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。

2.19 租賃 (營運租賃)

如租賃擁有權之主要部份風險和回報由出租人保留，則分類為營運租賃。根據營運租賃支付之款項(扣除自出租人收取之任何獎勵金後)於租賃期內以直線法在損益表支銷。

2.20 股利分配

當股利分配方案被公司董事會或權益持有人批准後，分配給股東或權益持有人的股利在當期集團財務報表中列為負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to HKD, United States Dollars ("USD") and Swiss Franc ("CHF"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. Foreign exchange risk also arises from certain financial assets and convertible bonds which are denominated in HKD, USD and CHF. The Group currently does not hedge its foreign exchange exposure.

At 31st December 2008, if HKD, USD or CHF had weakened/strengthened by 1% against Renminbi with all other variables held constant, post-tax loss or profit for the year would have been RMB1,104,831 (2007: RMB1,869,539) higher/lower.

3. 財務風險管理

3.1 財務風險因素

集團面臨一系列財務風險，市場風險（包括外匯風險，現金流風險，公平價值利率風險及價格風險），信用風險和流動性風險。集團整體風險管理集中於金融市場的不可預測性和致力與將對本集團財務業績不利的影響最小化。

(a) 市場風險

1. 外匯風險

集團面臨的外匯風險來自於使用不同的外幣，主要有港元、美元及瑞士法郎。外匯風險由於未來商業交易產生，已確認的資產和負債，另外，人民幣與外幣的兌換還受制於中國政府關於外匯管制的法律法規。

集團大部份業務在中國境內進行且以人民幣結算，外匯風險還由以港元、美元及瑞士法郎記價的金融資產及可轉換債券引起，集團目前沒有就外匯風險進行保值業務。

截止二零零八年十二月三十一日止，如果港元、美元及瑞士法郎對人民幣的匯率下降／上漲1%，本年稅後利潤將升高／降低人民幣1,104,831。（二零零七年：人民幣1,869,539）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risks

The Group has no significant interest-bearing assets and liabilities as at year end. The directors are of the opinion that the Group does not exposure to any cash flow and fair value interest rate risks and no sensitivity analysis is performed.

(iii) Price risks

The Group is exposed to securities price risk because investments held by the Group are classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group has not mitigated its price risk arising from investments in securities financial assets.

For the Group's investments that are publicly traded, the fair value is determined with reference to quoted market prices. For the Group's investments that are not publicly traded, the Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the balance sheet date.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

2. 現金流及公平價利率風險

本集團年末無重要帶息資產和負債，董事認為不存在任何現金流及公平價值利率風險，沒有進行敏感性分析。

3. 價格風險

本集團綜合資產負債表包含列為可出售金融資產或交易性金融資產的金融資產，故本集團面臨證券價格風險，本集團沒有就該風險進行保值。

對於本集團投資有公開市場的，公平價值由證券市場價格決定，無公開市場的投資，本集團基於資產負債表日市場狀況，使用判斷選擇若干合適方法，並作出假設來決定其公平價值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risks (Continued)

At 31st December 2008, if the market prices of these securities financial assets had increased/decreased by 1% with all other variables held constant, Group's post-tax profit for the year ended would have been changed as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Post-tax profit increase/(decrease)	稅後利潤升高／(下降)		
– Market prices increased by 1%	– 市價上漲1%	365	393
– Market prices decreased by 1%	– 市價下跌1%	(365)	(393)

(b) Credit risk

Credit risk arises from trade receivables and bank balances.

The Group's credit risk is primarily attributable to trade receivables.

For the sales of products to third party customers, there is a concentration of credit risk with respect to trade receivables as the largest five customers contribute around 68% of the balance. The Group has policies in place to ensure that credit is only granted to customers with an appropriate credit history and a good reputation. The exposure to credit risk is closely monitored on an ongoing basis. The directors are of the opinion that the credit risk is low as history of default in payment from the customers is rare.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

3. 價格風險 (續)

於二零零八年十二月三十一日，其他變量不變，如果證券價格上漲／下跌1%，本集團本年稅後利潤將有以下變動：

(b) 信用風險

信用風險來自於應收貿易賬款及銀行餘額。

集團信用風險主要由於應收貿易賬款。

在本集團銷售產品予第三方客戶中，信用風險集中於佔有本集團68%餘額的最大五家客戶。本集團信用政策確保只有良好還款記錄和良好聲譽的客戶才給予賒購，並持續密切管理其信用風險。董事認為信用風險很低，因為歷史上拖欠客戶是極少的。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balances. The liquidity of the Group is adequately managed and monitored by maintaining sufficient cash, which is available to meet its continuous operational needs. In the opinion of the directors, the Group does not have any significant liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信用風險 (續)

流動資金的信用風險是有限的，因為對方是國際信用評價機構認定為信用等級很高的銀行。

信用風險最大的是金融資產的賬面餘額。

(c) 流動性風險

審慎的流動性風險管理包括備有充足現金及銀行存款，本集團保留充足的現金以滿足持續經營之需要。董事認為本集團不存在重大流動性風險。

下表基於資產負債表日到合同到期日剩餘期限，按到期日分析本集團金融負債。披露金額為合同非折現現金流。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Group

		At 31st December 2008 於二零零八年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Convertible bonds	可轉換債券	-	-	65,785	65,785
Other payables and accruals	其他應付款及應計賬款	8,161	-	-	8,161

		At 31st December 2007 於二零零七年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Borrowings	借款	3	-	-	3
Convertible bonds	可轉換債券	-	-	95,936	95,936
Trade payables	應付貿易款	285	-	-	285
Other payables and accruals	其他應付款及應計賬款	5,237	-	-	5,237

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動性風險 (續)

本集團

		At 31st December 2008 於二零零八年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Convertible bonds	可轉換債券	-	-	65,785	65,785
Other payables and accruals	其他應付款及應計賬款	8,161	-	-	8,161

		At 31st December 2007 於二零零七年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Borrowings	借款	3	-	-	3
Convertible bonds	可轉換債券	-	-	95,936	95,936
Trade payables	應付貿易款	285	-	-	285
Other payables and accruals	其他應付款及應計賬款	5,237	-	-	5,237

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Company

		At 31st December 2008 於二零零八年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Convertible bonds	可轉換債券	-	-	65,785	65,785
Other payables and accruals	其他應付款及應計賬款	3,715	-	-	3,715

		At 31st December 2007 於二零零七年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Borrowings	借款	3	-	-	3
Convertible bonds	可轉換債券	-	-	95,936	95,936
Other payables and accruals	其他應付款及應計賬款	114	-	-	114

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動性風險 (續)

本公司

		At 31st December 2008 於二零零八年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Convertible bonds	可轉換債券	-	-	65,785	65,785
Other payables and accruals	其他應付款及應計賬款	3,715	-	-	3,715

		At 31st December 2007 於二零零七年十二月三十一日			
		Less than 1 year 小於1年 RMB'000 人民幣千元	Between 1 and 2 years 1-2年 RMB'000 人民幣千元	Between 2 and 5 years 2-5年 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Borrowings	借款	3	-	-	3
Convertible bonds	可轉換債券	-	-	95,936	95,936
Other payables and accruals	其他應付款及應計賬款	114	-	-	114

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to the shareholders and benefits for other stakeholders. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group represents equity attributable to equity holder of the Group, comprising issued share capital and retained earnings.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder or issue new shares.

3.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices on the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debts.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3. 財務風險管理 (續)

3.2 資本風險管理

本集團風險管理的目標是企業持續經營，提供股東回報和利益給其他干系人，本集團整體戰略與上年保持不變。

本集團資本結構代表本集團權益持有人應佔權益，由已簽發股票和留存收益組成。

為保持或調整資本結構，集團可以調整付給股東的股利或發行新股。

3.3 公允價值估計

於活躍市場買賣之金融工具（如公開買賣和可供出售之證券）之公平值為結算日所報市價。本集團所持金融資產適用之市價報為當時買入價。

非活躍市場買賣之金融工具之公平值乃使用合適估值方法釐定。本集團使用多種方法，並基於各結算日存在之市況作出假設。長期債務公平值估計乃使用類似金融工具市價報價或交易商報價。

應收貿易賬款及應付貿易賬款之面值減去減值準備估計與其公平值相若。金融負債之公平值之披露就類似金融工具按本集團可得之當時市場利率將日後約定現金流量折現而估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of intangible assets

The Group performs annual tests on whether there has been impairment of intangible assets in accordance with the accounting policy stated. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations.

(b) Estimation of provision for impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the collectability of trade and other receivables. Provisions for impairment are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and doubtful debt expense in the period in which such estimate is changed.

4. 重要會計估計及判斷

於編製綜合財務報表時，本集團須作出會計估計及判斷。本集團將根據過往經驗及其他因素（包括日後在合理情況下相信會出現之事件）不斷對會計估計及判斷進行評估。

本集團會就未來作出評估及假設，所產生之會計估計難免偏離實際之相關業績。有關評估及假設很大可能導致下一個財政年度之資產及負債賬面值須作出大幅度調整。有關詳情載於下文。

(a) 無形資產減值

按照會計政策，本集團每年對無形資產進行減值測試，對可產生現金流單元的可回收金額管理層基於未來營運對使用價值作出假設和估計，使用稅前折現率和其他使用價值的假設來確定。

(b) 應收款項減值撥備的估計

本集團基於應收貿易賬款和其他應收款的可回收性，計提減值撥備。當有重大事項或情況變化顯示餘額或不能收回時計提減值撥備，對呆賬的識別需要運用判斷和估計，當預期與初始判斷相異時，這種差異將影響估計變化期間應收款項賬面值和呆賬費用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(Continued)

(c) Net realisable value of work-in-progress

Provision for slowing-moving work-in-progress is made based on the ageing and accomplishment of certain milestone stage such as clinical studies permit during the process of development. The assessment of the provision amount required involving management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of work-in-progress and provision charge/write-back in the period in which such estimate has been changed.

(d) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to competition within the industry. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重要會計估計及判斷 (續)

(c) 在製品可實現淨值

滯銷在製品按開發過程中如許可等之若干重要階段(例如臨床研究)之進度及成果撥備。管理層評估撥備金額時需要作出判斷及估計。倘實際結果或未來期望與原有估計有別,有關差額將影響估計項目變動期間之在製品賬面值及撥備支出撥回。

(d) 物業、廠房及設備的使用壽命

本集團管理當局估計物業、廠房及設備的使用期限和折舊費用,這種估計基於同類性質和功能的物業、廠房及設備的使用壽命的歷史經驗。技術更新及本行業的競爭行為會導致估計的重大改變。當使用壽命比先前估計壽命縮短時,管理當局將提高折舊費用,或在賬面減值或註銷已報廢或出售的技術落後資產或非戰略性資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5. REVENUE AND SEGMENT INFORMATION

5. 營業收入及明細

Breakdown of the revenue from all services is as follows:

收入明細如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Analysis of revenue by category	收入分類		
Transfer to technology for new drugs and new drugs development	新藥及新藥開發技術轉讓收入	4,204	595
Contracted pharmaceutical development services and clinical research services associated with technology transferred by the Group	合約藥物開發與臨床研究服務收入－本集團技術	11,476	17,367
Contracted pharmaceutical development services and clinical research services not associated with technology transferred by the Group	合約藥物開發與臨床研究服務收入－非本集團技術	19,743	18,616
Import registration services	進口註冊服務收入	554	28
Royalty income	特許權使用費收入	2,749	1,369
Sales of active pharmaceutical ingredients products	銷售有效藥劑成分產品收入	460	754
		39,186	38,729

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.

不代表本集團超過90%營業額的營業額及盈利貢獻的收入類別，均來自其於中國之製藥研發、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，故並未呈列其分類分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6. PROPERTY, PLANT AND EQUIPMENT – GROUP AND THE COMPANY

6. 物業、廠房及設備 – 本集團及本公司

(a) Group

(a) 本集團

		Leasehold improvement 租賃裝修 RMB'000 人民幣千元	Machinery and equipment 機器及設備 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
At 1st January 2007	於二零零七年一月一日				
Cost	成本	2,446	9,573	1,074	13,093
Accumulated depreciation	累計折舊	(1,505)	(4,489)	(337)	(6,331)
Net book amount	賬面淨值	941	5,084	737	6,762
Year ended 31st December 2007	於二零零七年十二月三十一日				
Opening net book amount	賬面淨值期初餘額	941	5,084	737	6,762
Additions	本期增加	5,811	468	–	6,279
Disposals	本期減少	–	(5)	–	(5)
Depreciation	折舊	(899)	(838)	(32)	(1,769)
Closing net book amount	賬面淨值期末餘額	5,853	4,709	705	11,267
At 31st December 2007	於二零零七年十二月三十一日				
Cost	固定資產原價	8,257	10,027	1,074	19,358
Accumulated depreciation	累計折舊	(2,404)	(5,318)	(369)	(8,091)
Net book amount	固定資產淨值	5,853	4,709	705	11,267
Year ended 31st December 2008	於二零零八年十二月三十一日				
Opening net book amount	賬面淨值期初餘額	5,853	4,709	705	11,267
Additions	本期增加	288	1,981	118	2,387
Disposals	本期減少	(163)	(60)	(182)	(405)
Depreciation	折舊	(814)	(1,082)	(433)	(2,329)
Closing net book amount	賬面淨值期末餘額	5,164	5,548	208	10,920
At 31st December 2008	於二零零八年十二月三十一日				
Cost	成本	7,460	11,857	1,010	20,327
Accumulated depreciation	累計折舊	(2,296)	(6,309)	(802)	(9,407)
Net book amount	賬面淨值	5,164	5,548	208	10,920

Depreciation expense of approximately RMB1,600,000 (2007: RMB1,419,000) has been charged in “cost of goods sold” and approximately of RMB729,000 (2007: RMB350,000) in “administrative expenses”.

折舊費用中約人民幣1,600,000（二零零七年：人民幣1,419,000）在「銷售成本」列支，約人民幣729,000（二零零七年：人民幣350,000）在「管理費用」中列支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6. PROPERTY, PLANT AND EQUIPMENT – GROUP AND THE COMPANY (Continued)

6. 物業、廠房及設備 – 本集團及本公司 (續)

(b) Company

(b) 本公司

		Machinery and equipment 機器及設備 RMB'000 人民幣千元
At 1st January 2007	於二零零七年一月一日	
Cost	成本	75
Accumulated depreciation	累計折舊	(54)
Net book amount	賬面淨值	21
Year ended 31st December 2007	於二零零七年十二月三十一日	
Opening net book amount	賬面淨值期初餘額	21
Depreciation	折舊	(15)
Closing net book amount	賬面淨值期末餘額	6
At 31st December 2007	於二零零七年十二月三十一日	
Cost	固定資產原價	75
Accumulated depreciation	累計折舊	(69)
Net book amount	固定資產淨值	6
Year ended 31st December 2008	於二零零八年十二月三十一日	
Opening net book amount	賬面淨值期初餘額	6
Disposals	本期減少	(6)
Closing net book amount	賬面淨值期末餘額	–
At 31st December 2008	於二零零八年十二月三十一日	
Cost	成本	–
Accumulated depreciation	累計折舊	–
Net book amount	賬面淨值	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7. NEW DRUGS TECHNOLOGY – GROUP

7. 新藥技術 – 本集團

RMB'000
人民幣千元

At 1st January 2007	於二零零七年一月一日	
Cost	成本	9,365
Accumulated amortisation and impairment	累計攤銷及減值	(1,258)
Net book amount	賬面淨值	8,107
Year ended 31st December 2007	於二零零七年十二月三十一日	
Opening net book amount	賬面淨值期初餘額	8,107
Additions	本期增加額	–
Amortisation charge	本期攤銷	(1,149)
Closing net book amount	賬面淨值期末餘額	6,958
At 31st December 2007	於二零零七年十二月三十一日	
Cost	成本	9,365
Accumulated amortisation and impairment	累計攤銷及減值	(2,407)
Net book amount	賬面淨值	6,958
Year ended 31st December 2008	於二零零八年十二月三十一日	
Opening net book amount	賬面淨值期初餘額	6,958
Additions	本期增加額	12,693
Impairment loss	本期減值損失	(7,465)
Amortisation charge	本期攤銷	(1,741)
Closing net book amount	賬面淨值期末餘額	10,445
At 31st December 2008	於二零零八年十二月三十一日	
Cost	成本	22,058
Accumulated amortisation	累計攤銷	(11,613)
Net book amount	賬面淨值	10,445

The intangible assets included above have finite useful lives, over which the assets are amortised. The amortisation period for development costs incurred on the Group's new drugs technology is five years. Details of critical accounting estimates were set out in Note 4(a).

上表所列之無形資產具有有限使用年期，並於該段期間內攤銷。本集團新藥技術所涉及開發成本之攤銷期間為五年，有關重要會計估計之詳情載於附註4(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. INVESTMENTS IN SUBSIDIARIES – COMPANY

8. 附屬公司權益 – 本公司

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted shares, at cost	非上市股份 – 成本	30,374	30,374
Amounts due from subsidiaries	應收附屬公司款項	45,002	37,043
Amounts due to subsidiaries	應付附屬公司款項	–	(2,674)
		75,376	64,743

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.

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.

非上市股份之成本乃按本集團於集團重組日期應佔附屬公司相關資產淨值之賬面值計算。

應收／(應付)附屬公司款項為無抵押、免息及無固定償還期限。有關款項不會於結算日起計十二個月內償還，因此，有關款項以非流動呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. INVESTMENTS IN SUBSIDIARIES – COMPANY

(Continued)

Particulars of the Company's principal subsidiaries as at 31st December 2008 are as follows:

8. 附屬公司權益 – 本公司 (續)

本公司於二零零八年十二月三十一日之主要附屬公司詳情如下：

Name 公司名稱	Place of incorporation 註冊地點 (Note (a)) (附註(a))	Principal activities 主要經營業務	Particulars of issued share capital/ registered capital	Interest held 所佔權益
			已發行股本/ 註冊資本	

Shares directly held by the Company:

本公司直接持有股份：

Venturepharm Laboratories (BVI) Limited ("VP (BVI)") ⁽¹⁾	British Virgin Islands ("BVI") 英屬處女群島 ("BVI")	Investment holding 控股投資	US\$100 100美元	100%
Venovo Pharma US Inc. ⁽¹⁾	British Virgin Islands ("BVI") 英國處女群島 ("BVI")	Investment holding 控股投資	US\$1 1美元	100%

Shares/investments indirectly held by the Company:

本公司間接持有股份 (或投資)：

Beijing Dezhong VP Technology Development Co Ltd ⁽²⁾ 北京德眾萬全 藥物技術開發有限公司 ⁽²⁾	Beijing, the PRC 中國北京	The research and development of new drug preparation, raw materials, supplementary materials) 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	RMB7,154,420 人民幣7,154,420元	94.512%
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NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. INVESTMENTS IN SUBSIDIARIES – COMPANY

(Continued)

8. 附屬公司權益 – 本公司 (續)

Name 公司名稱	Place of incorporation 註冊地點 (Note (a)) (附註(a))	Principal activities 主要經營業務	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本	Interest held 所佔權益
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Shares/investments indirectly held by the Company: (Continued)

本公司間接持有股份 (或投資) : (續)

Venturepharm Life Science Capital Limited ⁽⁵⁾ 萬全生命科技投資有限公司 ⁽⁵⁾	Hong Kong, the PRC 中國香港	Inactive 無經營	HK\$10,000 10,000港元	100%
Hanzhong Venturepharm Pharm-Chemical Company Limited ⁽⁴⁾ 漢中萬全醫藥化工有限公司 ⁽⁴⁾	Hanzhong, the PRC 中國漢中	Sales and manufacturing of active pharmaceutical ingredients products 銷售及製造有效藥劑成分產品	US\$600,000 600,000美元	51%
VPSCRO Group Inc ⁽¹⁾	British Virgin Islands 英國處女群島	Inactive 無經營	US\$780 780美元	100%
Hainan Sinican Bio-labs Limited ⁽³⁾ 海南盛科有限公司 ⁽³⁾	Hainan, the PRC 中國海南	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	US\$360,000 360,000美元	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. INVESTMENTS IN SUBSIDIARIES – COMPANY

(Continued)

8. 附屬公司權益 – 本公司 (續)

Name 公司名稱	Place of incorporation 註冊地點 (Note (a)) (附註(a))	Principal activities 主要經營業務	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本	Interest held 所佔權益
Shares/investments indirectly held by the Company: (Continued) 本公司間接持有股份 (或投資) : (續)				
Beijing Venture-Sunshine Pharmaceutical Technology Co., Ltd (“V Biopharm”) ⁽²⁾ 北京萬全陽光醫藥 科技有限公司 ⁽²⁾	Beijing, the PRC 中國北京	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	RMB1,655,747 人民幣1,655,747元	100%
Beijing New Dezhong-Venture Pharmaceutical Technology Development Co., Ltd ⁽²⁾ 北京新德眾萬全醫藥 科技有限公司 ⁽²⁾	Beijing, the PRC 中國北京	The research, development and production of new drugs, natural drugs, and synthetic drugs; technological transfer of and services for 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	US\$200,000 200,000美元	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. INVESTMENTS IN SUBSIDIARIES – COMPANY

(Continued)

8. 附屬公司權益 – 本公司 (續)

Name 公司名稱	Place of incorporation 註冊地點 (Note (a)) (附註(a))	Principal activities 主要經營業務	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本	Interest held 所佔權益
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Shares/investments indirectly held by the Company: (Continued)

本公司間接持有股份 (或投資) : (續)

Beijing Venture-Sun Medical Technology Co., Ltd ⁽²⁾ 北京萬全陽光醫學 技術有限公司 ⁽²⁾	Beijing, the PRC 中國北京	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	US\$200,000 200,000美元	100%
Taizhou Venturepharm Medicine Sci Tech Co., Ltd ⁽²⁾ 泰州萬全醫藥科技有限公司 ⁽²⁾	Taizhou, the PRC 中國泰州	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	RMB1,000,000 1,000,000美元	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8. INVESTMENTS IN SUBSIDIARIES – COMPANY

(Continued)

Remark:

- (1) Not required to be audited in country of incorporation.
- (2) Statutory financial statements being audited by 北京永恩力合會計師事務所.
- (3) Statutory financial statements being audited by 海南永信德威會計師事務所.
- (4) Statutory financial statements being audited by Shaanxi Qinyue Certified Public Accountants Inc 陝西秦約有限責任會計事務所.
- (5) No audited accounts in country of incorporation as it is inactive and dormant.

Note:

- (a) The Group held major representation of the board of directors in this company.
- (b) None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.

9. INVESTMENT IN AN ASSOCIATE – GROUP

8. 附屬公司權益 – 本公司 (續)

備註：

- (1) 註冊國不要求審計。
- (2) 法定財務報表經北京永恩力合會計師事務所審計。
- (3) 法定財務報表經海南永信德威會計師事務所審計。
- (4) 法定財務報表經陝西秦約有限責任會計事務所審計。
- (5) 由於無經營，註冊國不要求審計其報表。

附註：

- (a) 本集團在該公司之董事會中佔有大多數席位。
- (b) 附屬公司在本年度末及本年度內任何時間無任何尚未償還證券。

9. 附屬公司權益 – 本集團

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
At 1st January	於一月一日	833	3,235
Disposal of investment	出售投資	-	(2,235)
Impairment of investment	投資減值	-	(167)
Reclassified as investment held for resale	重新分類為可再售投資	(833)	-
At 31st December	於十二月三十一日	-	833

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9. INVESTMENT IN AN ASSOCIATE – GROUP (Continued)

Details of the Group's associate at 31st December 2008, which is held indirectly by the Company, are as follows:

Name 名稱	Particulars of issued shares held 所持發行股份	Place of incorporation 註冊地點	Attributable to the Group 本集團應佔				Interest held 應佔權益 %
			Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元	Revenues 收益 RMB'000 人民幣千元	Profit 溢利 RMB'000 人民幣千元	
2008 Nova Derm Inc.		British Virgin Islands ("BVI") 英屬處女群島 (「BVI」)	2,081	(2,081)	–	–	40%

9. 附屬公司權益 – 本集團 (續)

截止二零零八年十二月三十一日，由本公司間接擁有之本集團聯營公司詳情如下：

Name 名稱	Particulars of issued shares held 所持發行股份	Place of incorporation 註冊地點	Attributable to the Group 本集團應佔				Interest held 應佔權益 %
			Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元	Revenues 收益 RMB'000 人民幣千元	Profit 溢利 RMB'000 人民幣千元	
2007 Nova Derm Inc.		British Virgin Islands ("BVI") 英屬處女群島 (「BVI」)	2,081	(2,081)	–	–	40%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9. INVESTMENT IN AN ASSOCIATE – GROUP (Continued)

The investment in an associate has been reclassified to investment held for resale as at 31st December 2008 (note 15).

On 1st November 2008, the Company decided to dispose of its investment in Nova Derm Inc. in which the Company holds 40% equity interests. As at 11st November 2008, the negotiation for the disposal was in progress and the investment was classified as an investment held for resale. The disposal was in 2009 with a selling price of RMB877,197.

9. 附屬公司權益 – 本集團 (續)

本項投資已於二零零八年十二月三十一日重新分類為可再售投資(附註15)。

於二零零八年十一月一日，本公司決定出售其在Nova Derm Inc.所佔40%股本權益。於二零零八年十一月一日，出售的談判進行中，該項投資重新分類為可再售投資。該項投資已於二零零九年以人民幣877,197元價格出售。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Unlisted investment at cost	非上市投資成本	-	833

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND THE COMPANY

10. 金融工具明細 – 本集團及本公司

Group

本集團

		Assets at fair value through		Total
		Loans and receivables	profit or loss	
		貸款及應收款	交易性金融資產	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Assets as per consolidated balance sheet	綜合資產負債表資產			
31st December 2008	於二零零八年			
	十二月三十一日			
Trade and other receivables (excluding prepayments) (Note 13)	應收貿易賬款和其他 應收款 (不含預付賬款) (附註13)	28,139	–	28,139
Financial assets at fair value through profit or loss (Note 15)	交易性金融資產 (附註15)	–	46,684	46,684
Cash and cash equivalent (Note 16)	現金及現金等價物 (附註16)	6,711	–	6,711
Total	合計	34,850	46,684	81,534
31st December 2007	於二零零七年			
	十二月三十一日			
Trade and other receivables (excluding prepayments) (Note 13)	應收貿易賬款和其他 應收款 (不含預付賬款) (附註13)	57,799	–	57,799
Financial assets at fair value through profit or loss (Note 15)	交易性金融資產 (附註15)	–	72,409	72,409
Cash and cash equivalent (Note 16)	現金及現金等價物 (附註16)	30,803	–	30,803
Total	合計	88,602	72,409	161,011

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND THE COMPANY (Continued)

10. 金融工具明細 – 本集團及本公司 (續)

Group (Continued)

本集團 (續)

Other financial liabilities at amortised cost
其他金融負債
已攤銷成本
RMB'000
人民幣千元

Liabilities as per consolidated balance sheet	綜合資產負債表負債	
31st December 2008	於二零零八年十二月三十一日	
Borrowing excluding finance lease liabilities	借款 (不含融資租賃)	65,785
Trade and other payables	應付貿易賬款及其他應付款	8,161
Total	合計	73,946
31st December 2007	於二零零七年十二月三十一日	
Borrowing excluding finance lease liabilities	借款 (不含融資租賃)	95,936
Trade and other payables	應付貿易賬款及其他應付款	5,522
Total	合計	101,458

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND THE COMPANY (Continued)

10. 金融工具明細 – 本集團及本公司 (續)

Company

本公司

		Loans and receivables	Assets at fair value through profit or loss	Total
		貸款及應收款	交易性 金融資產	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Assets as per consolidated balance sheet 31st December 2008	綜合資產負債表資產 於二零零八年 十二月三十一日			
Trade and other receivables (excluding prepayments)	應收貿易賬款及其他 應收款 (不含預付賬款)	5,148	–	5,148
Financial assets at fair value through profit or loss (Note 15)	交易性金融資產 (附註15)	–	45,851	45,851
Cash and cash equivalent (Note 16)	現金及現金等價物 (附註16)	3,316	–	3,316
Total	合計	8,464	45,851	54,315
31st December 2007	於二零零七年 十二月三十一日			
Trade and other receivables (excluding prepayments)	應收貿易賬款及其他 應收款 (不含預付賬款)	1,476	–	1,476
Financial assets at fair value through profit or loss (Note 15)	交易性金融資產 (附註15)	–	72,409	72,409
Cash and cash equivalent (Note 16)	現金及現金等價物 (附註16)	17,193	–	17,193
Total	合計	18,669	72,409	91,078

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10. FINANCIAL INSTRUMENTS BY CATEGORY – GROUP AND THE COMPANY (Continued)

10. 金融工具明細 – 本集團及本公司 (續)

Company (Continued)

本公司 (續)

Other financial liabilities at amortised cost
其他金融負債
已攤銷成本
RMB'000
人民幣千元

Liabilities as per consolidated balance sheet	綜合資產負債表負債	
31st December 2008	於二零零八年十二月三十一日	
Borrowing excluding finance lease liabilities	借款 (不含融資租賃)	65,785
Trade and other payables	應付貿易賬款及其他應付款	3,715
Total	合計	69,500
31st December 2007	於二零零七年十二月三十一日	
Borrowing excluding finance lease liabilities	借款 (不含融資租賃)	95,936
Trade and other payables	應付貿易賬款及其他應付款	114
Total	合計	96,050

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11. WORK-IN-PROGRESS – GROUP

11. 在製品 – 本集團

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Work in progress	在製品		
– contracted (Note (a))	– 已訂約 (附註(a))	16,725	43,521
Work-in-progress	在製品		
– not-contracted (Note (b))	– 未訂約 (附註(b))	39,561	28,689
Allowance for work-in-progress	在製品撥備	–	(5,707)
		56,286	66,503

(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.

(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，惟由於尚未達到相關要求及合同條款規定之進度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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12. TRADE RECEIVABLES – GROUP

The fair value of trade receivables are as follows:

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收貿易賬款	32,692	43,251
Less: provision for impairment of receivables	減：壞賬準備	(19,492)	(12,530)
Trade receivables – net	應收貿易賬款淨額	13,200	30,721

The Group allows an average credit period of 90 days to its trade customers. As 31st December 2008 and 2007, the ageing of the trade receivables were as follows:

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1-30 days	1-30天	324	14,815
31-60 days	31 -60天	-	2,676
61-90 days	61-90天	-	4,353
91-180 days	91-180天	-	-
Over 180 days	超過180天	12,876	8,877
		13,200	30,721

As at 31st December 2008, trade receivables of RMB12,876,000 (2007: RMB8,877,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

12. 應收貿易賬款 – 本集團

應收貿易賬款的公允價值如下：

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收貿易賬款	32,692	43,251
Less: provision for impairment of receivables	減：壞賬準備	(19,492)	(12,530)
Trade receivables – net	應收貿易賬款淨額	13,200	30,721

集團為其客戶提供90天的信用期限。截止二零零八年（二零零七年）年十二月三十一日，應收貿易賬款賬齡如下：

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1-30 days	1-30天	324	14,815
31-60 days	31 -60天	-	2,676
61-90 days	61-90天	-	4,353
91-180 days	91-180天	-	-
Over 180 days	超過180天	12,876	8,877
		13,200	30,721

截止二零零八年十二月三十一日，應收貿易賬款中人民幣12,876,000（二零零七年：人民幣8,877,000）已逾期但未提壞賬準備。這些賬務來自多名在本集團有良好還款記錄的獨立客戶。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12. TRADE RECEIVABLES – GROUP (Continued)

These customers have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not held any collateral over these balances. The ageing analysis of these trade receivables is as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Over 180 days	超過180天	12,876	8,877

As of 31st December 2008, trade receivables of RMB19,492,000 (2007: RMB12,530,000) were impaired and provided for. The amount of the provision was RMB19,492,000 as at 31st December 2008 (2007: RMB12,530,000). The individually impaired receivables mainly related to customers, which are in unexpected difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Over 180 days	超過180 days	12,876	8,877

12. 應收貿易賬款 – 本集團 (續)

基於以往的經驗，管理當局認為沒有必要計提壞賬準備，因為這些客戶的信用質量沒有重大改變且相信這些餘額能全部收回，本集團無此類應收貿易賬款的抵押品。賬齡分析如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Over 180 days	超過180天	12,876	8,877

截止二零零八年十二月三十一日，應收貿易賬款中人民幣19,492,000（二零零七年：人民幣12,530,000）計提了減值準備，減值準備餘額為人民幣19,492,000（二零零七年：人民幣12,530,000）。單筆減值應收貿易賬款主要來自於遭遇預料之外經濟困境之客戶，預期部份應收貿易賬款可以收回，應收貿易賬款賬齡如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Over 180 days	超過180 days	12,876	8,877

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12. TRADE RECEIVABLES – GROUP (Continued)

Movement on the Group's provision for impairment of trade receivables are as follow:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
At 1st January	於一月一日	12,530	12,530
Provision for receivable impairment	應收貿易賬款減值準備	19,492	–
Bad debt written off	應收貿易賬款本年銷賬	(12,530)	–
At 31st December	於十二月三十一日	19,492	12,530

The other classes within trade receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP

The prepayments, deposits and other receivables are as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Prepayments	預付賬款	19,265	7,763
Deposits	按金	–	317
Other receivables	其他應收款	15,170	26,761
Total	合計	34,435	34,841

The carrying amounts of prepayments, deposits and other receivables approximate their fair values.

12. 應收貿易賬款 – 本集團 (續)

應收貿易賬款減值準備變動如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
At 1st January	於一月一日	12,530	12,530
Provision for receivable impairment	應收貿易賬款減值準備	19,492	–
Bad debt written off	應收貿易賬款本年銷賬	(12,530)	–
At 31st December	於十二月三十一日	19,492	12,530

應收貿易賬款內其他類別不含已減值資產。

於本報告日期，所面臨之最大信用風險為上述應收貿易賬款賬面值。本集團並無持有任何抵押品作為擔保。

13. 預付賬款，按金及其他應收款

預付賬款，按金及其他應收款明細如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Prepayments	預付賬款	19,265	7,763
Deposits	按金	–	317
Other receivables	其他應收款	15,170	26,761
Total	合計	34,435	34,841

預付款項、按金及其他應收款項之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14. AMOUNTS DUE FROM RELATED COMPANIES – GROUP AND THE COMPANY

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

Name of companies	公司名稱	Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 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」)	-	636	-	-
Venturepharm Inc ("VPC Inc")	萬全公司 (「VPC Inc」)	-	(12)	-	6
Hanzhong Venturepharm Pharm Chemical Company Limited	漢中萬全製藥化工有限公司	-	5	-	-
		-	629	-	6

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

The amounts are unsecured, non-interest bearing and repayable on demand. It is approximate to its fair value.

The maximum balance due from Sinoway Pharmaceutical, VP Inc and Hanzhong Venturepharm Pharm Chemical Company Limited for the year ended 31st December 2008 was approximately of RMB636,000, (RMB812,000) and RMB5,000 respectively.

14. 應收關聯方款項 – 本集團及本公司

應收關聯公司款項明細如下：

Name of companies	公司名稱	Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 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」)	-	636	-	-
Venturepharm Inc ("VPC Inc")	萬全公司 (「VPC Inc」)	-	(12)	-	6
Hanzhong Venturepharm Pharm Chemical Company Limited	漢中萬全製藥化工有限公司	-	5	-	-
		-	629	-	6

上述所有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，須按要求償還。賬面值與其公平值相若。

截止十二月三十一日，二零零八年期間，應收賽諾維製藥，萬全公司及漢中萬全製藥化工有限公司的最大金額分別為人民幣636,000，(人民幣12,000)和人民幣5,000。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP AND THE COMPANY

15. 交易性金融資產 – 本集團及本公司

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		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
Dual currency investment	雙幣投資	11,285	24,363	11,285	24,363
Money market funds	貨幣市場基金	–	39,285	–	39,285
Investment funds	投資基金	5,959	8,761	5,959	8,761
Bond	債券	3,417	–	3,417	–
Shares	股票	25,190	–	25,190	–
Investment held for resale	可再售金融資產	833	–	–	–
	合計	46,684	72,409	45,851	72,409

Financial assets at fair value through profit or loss are presented within “investing activities” in the cash flow statement.

The fair value of all investment funds is based on their current bid prices in an active market.

交易性金融資產在現金流量表中列示於投資活動項下。

所有投資基金之公平值乃根據其於活躍市場之買入價計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP AND THE COMPANY

(Continued)

Available-for-sale financial assets are denominated in the following currencies:

		Group		Company	
		本集團	本公司	本公司	本公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		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
Renminbi	人民幣	833	–	–	–
HK dollars	港幣	21,013	–	21,013	–
Swiss Franc	瑞士法郎	–	9,725	–	9,725
US dollars	美元	24,838	62,684	24,838	62,684
		46,684	72,409	45,851	72,409

15. 交易性金融資產 – 本集團及本公司 (續)

可供出售金融資產以下列貨幣計值：

		Group		Company	
		本集團	本公司	本公司	本公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		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
Renminbi	人民幣	833	–	–	–
HK dollars	港幣	21,013	–	21,013	–
Swiss Franc	瑞士法郎	–	9,725	–	9,725
US dollars	美元	24,838	62,684	24,838	62,684
		46,684	72,409	45,851	72,409

16. CASH AND CASH EQUIVALENTS – GROUP AND THE COMPANY

16. 現金及現金等價物 – 本集團及本公司

		Group		Company	
		本集團	本公司	本公司	本公司
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		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
Cash at banks and on hand	銀行存款及庫存現金	4,508	13,622	1,113	12
Short-term bank deposit	短期銀行存款	2,203	17,181	2,203	17,181
		6,711	30,803	3,316	17,193

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16. CASH AND CASH EQUIVALENTS – GROUP AND THE COMPANY (Continued)

Cash and cash equivalents included the following for the purpose of the cash flow statement:

		Group 集團		Company 公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		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
Cash and cash equivalents	現金及現金等價物	6,711	30,803	3,316	17,193
Bank overdrafts (Note 20)	銀行透支 (附註20)	-	(3)	-	(3)
		6,711	30,800	3,316	17,190

Bank balances and cash were denominated in following currencies:

		Group 本集團		Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		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
Renminbi	人民幣	3,357	12,181	-	-
HK dollars	港幣	43	9,750	43	9,750
Swiss Franc	瑞士法郎	2,203	-	2,203	-
US dollars	美元	1,105	8,854	1,067	7,438
Others	其他	3	18	3	5
		6,711	30,803	3,316	17,193

16. 現金及現金等價物 – 本集團及本公司 (續)

現金及現金等價物及銀行透支包括以下內容：

銀行餘額及現金以下列貨幣計值：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. SHARE CAPITAL – GROUP AND THE COMPANY

17. 股本 – 本集團及本公司

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 港幣千元	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0.1港元的普通股			
Authorised:	法定：			
At 31st December 2007 and 31st December 2008	截止二零零七年 十二月三十一日及 二零零八年 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：			
At 31st December 2007	截止二零零七年 十二月三十一日	360,000,000	36,000	38,160
Shares issued for cash proceeds	以現金收益發行之股份	2,806,664	281	247
31st December 2008	二零零八年 十二月三十一日	362,806,664	36,281	38,407

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. SHARE CAPITAL – GROUP AND THE COMPANY

(Continued)

A summary of the above movements in issued share capital of the Company is as follows:

		2008 二零零八年		2007 二零零七年	
		Number of issued ordinary shares of HK\$0.01 each 每股面值 港幣0.1元的 普通股 發行股數	Par value HK\$'000 面值 港幣千元	Number of issued ordinary shares of HK\$0.01 each 每股面值 港幣0.1元的 普通股 發行股數	Par value HK\$'000 面值 港幣千元
Beginning of the year	期初	360,000,000	36,000	360,000,000	36,000
Issue of shares pursuant to exercise of share options (Note (a))	根據購股權行使發行之股票 (附註(a))	577,000	58	-	-
Issue of shares, net of expenses	發行股票，扣除費用淨額	2,229,664	223	-	-
End of the year	期末	362,806,664	36,281	360,000,000	36,000

Note:

(a) During the year, 577,000 (2007: nil) new shares of HK\$0.1 each were issued upon the exercise of options under the share option scheme approved by the shareholders of the Company at an exercise price ranging from HK\$0.36 to HK\$0.625 (2007: nil) per share. These shares rank pari passu with the existing shares of the Company.

The Company has share option schemes as at 31st December 2008, under which it may grant options to employees of the Group to subscribe for shares of the Company. During the year, nil (2007: nil) of these options lapsed in connection with the cessation of employment of certain employees and the expiry of exercise period.

17. 股本 – 本集團及本公司 (續)

上述本公司發行股本的變動摘要如下：

		2008 二零零八年		2007 二零零七年	
		Number of issued ordinary shares of HK\$0.01 each 每股面值 港幣0.1元的 普通股 發行股數	Par value HK\$'000 面值 港幣千元	Number of issued ordinary shares of HK\$0.01 each 每股面值 港幣0.1元的 普通股 發行股數	Par value HK\$'000 面值 港幣千元
Beginning of the year	期初	360,000,000	36,000	360,000,000	36,000
Issue of shares pursuant to exercise of share options (Note (a))	根據購股權行使發行之股票 (附註(a))	577,000	58	-	-
Issue of shares, net of expenses	發行股票，扣除費用淨額	2,229,664	223	-	-
End of the year	期末	362,806,664	36,281	360,000,000	36,000

附註：

(a) 本公司根據由股東批准之購股權計劃，因應購股權持有人以每股\$0.36港元至\$0.625港元之行使價行使其購股權以認購本公司股份，本公司因而於年內發行577,000 (二零零七年：零) 股每股面值\$0.1港元之新股，該等新股與本公司現有股份享有同等權益。

於二零零八年十二月三十一日，本公司可就認股權計劃授出認股權予本集團之僱員以購本公司之股份。於年內，沒有 (二零零七年：無) 購股權因若干僱員離職及到期而告失效。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. SHARE CAPITAL – GROUP AND THE COMPANY

(Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

Date of grant 授權日	Exercise price 行權價	Note 附註	Number of share options 購股權數目				At 31st December 2008 於十二月 三十一日 二零零八年
			At 1st January 2008 於一月一日 二零零八年	Granted during the year 本年授出	Exercised during the year 本年行權	Lapsed during the year 本年註銷	
20th June 2003 二零零三年六月二十日	HK\$0.32 0.32港元	(i)	9,720,000	-	-	-	9,720,000
20th June 2003 二零零三年六月二十日	HK\$0.40 0.40港元	(ii)	1,800,000	-	-	-	1,800,000
2nd March 2005 二零零五年三月二日	HK\$0.52 0.52港元	(iii)	1,892,000	-	(65,000)	-	1,827,000
14th December 2005 二零零五年十二月十四日	HK\$0.45 0.45港元	(iv)	648,000	-	(28,800)	-	619,200
10th August 2006 二零零六年八月十日	HK\$0.36 0.36港元	(v)	3,168,000	-	(251,100)	-	2,916,900
10th May 2007 二零零七年五月十日	HK\$0.625 0.625港元	(vi)	6,805,200	-	(232,100)	-	6,573,100
			24,033,200	-	(577,000)	-	23,456,200

17. 股本 – 本集團及本公司 (續)

未行使購股權數目及其有關加權平均行使價之變動詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17. SHARE CAPITAL – GROUP AND THE COMPANY

(Continued)

Notes:

- (i) These options are exercisable at HK\$0.32 (RMB0.28) per share in three tranches: the maximum percentage of options exercisable within the periods commencing from 1st January 2004 to 31st December 2004, from 1st January 2005 to 31st December 2005 and after 1st January 2006 are 30%, 60% and 100%, respectively.
- (ii) These options are exercisable at HK\$0.40 (RMB0.35) per share in three tranches: the maximum percentage of options exercisable within the periods commencing from 1st January 2003 to 31st December 2003, 1st January 2004 to 31st December 2004 and after 1st January 2005 are 30%, 60% and 100%, respectively.
- (iii) These options are exercisable at HK\$0.52 (RMB0.46) per share: the share options exercisable within the period commencing from 2nd March 2005 to 1st March 2015.
- (iv) These options are exercisable at HK\$0.45 (RMB0.40) per share: the share options exercisable within the period commencing from 14th December 2005 to 13rd December 2015.
- (v) These options are exercisable at HK\$0.36 (RMB0.32) per share: the share options exercisable within the period commencing from 10th August 2006 to 9th August 2016.
- (vi) These options are exercisable at HK\$0.625 (RMB0.55) per share: the share options exercisable within the period commencing from 10th May 2007 to 9th May 2017.

Options exercised during the year resulted in 577,000 (2007: nil) ordinary shares being issued at HK\$0.52 (RMB0.46), HK\$0.45 (RMB0.40), HK\$0.36 (RMB0.32) and HK\$0.625 (RMB0.55), yielding the following proceeds:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Ordinary share capital – at par	普通股股本 – 按面值	51	–
Share premium	股份溢價	199	–
Proceeds	所得款項	250	–

The related weighted average share price at the time of exercise was HK\$0.49 (RMB0.43) (2007: HK\$0.60 (RMB0.56)) per share.

17. 股本 – 本集團及本公司 (續)

附註：

- (i) 該等購股權之行使價為每股\$0.32港元(0.28人民幣)，可分三期行使：即二零零四年一月一日至二零零四年十二月三十一日、二零零五年一月一日至二零零五年十二月三十一日及二零零六年一月一日以後，分別以30%、60%及100%之可予行使購股權百分比上限認購本公司股份。
- (ii) 該等購股權之行使價為每股0.40港元(0.35人民幣)，可分三期行使：即於二零零三年一月一日至二零零三年十二月三十一日、二零零四年一月一日至二零零四年十二月三十一日及二零零五年一月一日以後，分別以30%、60%及100%之可予行使購股權百分比上限認購本公司股份。
- (iii) 該等購股權之行使價為每股0.52港元(0.46人民幣)，可於二零零五年三月二日至二零一五年三月一日期間認購本公司股份。
- (iv) 該等購股權之行使價為每股0.45港元(0.40人民幣)，可於二零零五年十二月十四日至二零一五年十二月十三日期間認購本公司股份。
- (v) 該等購股權之行使價為每股0.36港元(0.32人民幣)，可於二零零六年八月十日至二零一六年八月九日期間認購本公司股份。
- (vi) 該等購股權之行使價為每股0.625港元(0.55人民幣)，可於二零零七年五月十日至二零一七年五月九日期間認購本公司股份。

由於執行購股權，本年度增發新股577,000(二零零七年：零)股，發行價為0.52港元(0.46人民幣)，0.45港元(0.40人民幣)，0.36港元(0.32人民幣)和0.625港元(0.55人民幣)，產生如下收益：

年內已行使之購股權於行使日期之加權平均股價為每股0.49港元(0.43人民幣)(二零零七年：0.60港元(0.56人民幣))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18. RESERVES – GROUP AND THE COMPANY

18. 儲備 – 本集團及本公司

Group		本集團									
		Share- based payment reserve	Available- for-sales financial assets reserve	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise expansion fund	Retained earnings	Minority interests	Total	
		Share capital 股本 RMB'000 人民幣千元	可供銷售 金融資產 儲備 RMB'000 人民幣千元	特別儲備 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	法定儲備 RMB'000 人民幣千元	法定企業 發展基金 RMB'000 人民幣千元	保留盈餘 RMB'000 人民幣千元	少數 股東權益 RMB'000 人民幣千元	合計 RMB'000 人民幣千元	
At 1st January 2007	二零零七年一月一日	38,160	53	(1,032)	6,039	894	3,803	6,986	64,144	3,089	122,136
Transfer to reserves	轉入儲備	-	2,800	1,032	-	6	-	-	(3,838)	-	-
Profit for the year	本年淨利潤	-	-	-	-	-	-	-	1,597	(497)	1,100
At 31st December 2007 and at 1st January 2008	二零零七年 十二月三十一日或 二零零八年一月一日	38,160	2,853	-	6,039	900	3,803	6,986	61,903	2,592	123,236
Share premium for exercise of share option	購股權行使股份溢價	-	-	-	-	199	-	-	-	-	199
New issue of shares	發行新股	196	-	-	-	-	-	-	-	-	196
Issue of new shares pursuant to exercise of share options	發行新股 — 購股權行使	51	-	-	-	-	-	-	-	-	51
Exercise of share option	購股權行使	-	(87)	-	-	87	-	-	-	-	-
Disposal of investment in a subsidiary with minority shareholders	處置有少數股東 權益的子公司投資	-	-	-	-	-	-	-	-	(14)	(14)
Loss for the year	本年虧損	-	-	-	-	-	-	-	(16,354)	(958)	(17,312)
At 31st December 2008	二零零八年 十二月三十一日	38,407	2,766	-	6,039	1,186	3,803	6,986	45,549	1,620	106,356

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18. RESERVES – GROUP AND THE COMPANY (Continued)

18. 儲備 – 本集團及本公司 (續)

Company		本公司					
		Share-based payment reserve	Available-for-sales financial assets reserve	Capital reserve	Contribution surplus	Retained earnings	Total
		股份付款儲備	可供銷售金融資產儲備	資本儲備	供款盈餘	保留盈餘	合計
		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
At 1st January 2007	二零零七年一月一日	53	(1,032)	894	28,011	(625)	27,301
Transfer to reserves	轉入儲備	-	1,032	-	-	(1,032)	-
Loss for the year	本年虧損	-	-	-	-	(5,681)	(5,681)
At 1st January 2008	二零零八年一月一日	53	-	894	28,011	(7,338)	21,620
Share premium for exercise of share option	購股權行使股份溢價	-	-	199	-	-	199
Transfer to reserve	轉入儲備	2,800	-	-	-	(2,800)	-
Profit for the year	本年利潤	-	-	-	-	35	35
At 31st December 2008	二零零八年十二月三十一日	2,853	-	1,093	28,011	(10,103)	21,854

Statutory reserve

In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiaries are required to appropriate to reserve fund an amount of not less than 10% of the profit after taxation, calculated based on PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiaries, the subsidiaries will not be required to make any further appropriation. Pursuant to the relevant PRC regulations, this reserve can be used for making up losses and increase of capital.

法定儲備

根據有關中國有關外資企業的法例及法規之規定，本公司於中國成立之附屬公司須按中國會計標準將其除稅後純利之10%撥入法定盈餘儲備基金，直至儲備結餘達附屬公司註冊股本50%。儲備基金僅可用以抵銷累計虧損或增加資本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18. RESERVES – GROUP AND THE COMPANY (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% or 10% of its net profit after taxation as the statutory enterprise expansion fund. The director 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 RMB21,854,000 (2007: RMB21,620,000). In accordance with the Company's Articles of Association, dividends shall be payable out of the profit 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.

18. 儲備 – 本集團及本公司 (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%或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。

特別基金

特別儲備是指VP(BVI) (本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本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本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、實繳溢價及累計(虧損)溢利，合共人民幣21,854,000元(二零零七年：人民幣21,620,000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(二零零二年修訂版)，本公司須在緊接派發股息之後，能夠支付日常業務中到期之借貸。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19. TRADE AND OTHER PAYABLES

		Group 本集團		Company 本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	-	285	-	-
Other payables	其他應付款	6,766	4,405	3,215	-
Accrued expenses	應計賬款	1,395	832	500	114
		8,161	5,522	3,715	114

The Group receives an average credit period of 90 days from its trade suppliers. At 31st December 2008, the ageing analyses of trade payables of the Group were as follows:

本集團從供貨商獲得平均90天的信用付款期，於二零零八年十二月三十一日，本集團應付貿易賬款的賬齡分析如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Within 90 days	90天內	-	17
91-180 days	91-180天	-	-
181-365 days	181-365天	-	-
Over 365 days	超過365天	-	268
		-	285

The carrying amounts of trade payables and other payables approximate their fair values.

應付貿易賬款及其他應付款項之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20. BORROWINGS

20. 借款

		Group 本集團		Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		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
Non-current	非流動				
Convertible bonds	可換股債券	65,785	95,936	65,785	95,936
Current	流動				
Bank overdrafts	銀行透支	-	3	-	3
Total borrowings	借款總計	65,785	95,939	65,785	95,939

The bank overdrafts were repayable within 1 year. The carrying amount of the bank overdrafts approximates their fair value.

於二零零八年十二月三十一日，銀行透支付款期限1年內。其賬面值與其公平值相若。

The effective interest rate at the balance sheet date was as follows:

資產負債表日有效利率如下：

		Group 本集團		Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
Bank overdrafts	銀行透支	0%	6.57%	0%	6.57%
Convertible bonds	可換股債券	3.5%	3.5%	3.5%	3.5%

At 31st December 2008, the carrying amounts and fair value of the non-current convertible bonds for the Group and the Company amounted approximately of RMB65,785,000 and RMB65,785,000 respectively. (2007: RMB95,936,000 and RMB95,936,000)

於二零零八年十二月三十一日，本集團和本公司的非流動可轉換債券的賬面值和公平價值分別為人民幣65,785,000和人民幣65,785,000，(二零零七年：人民幣95,936,000和人民幣95,936,000)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20. BORROWINGS (Continued)

The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

		Group and the Company 本集團及本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
HK dollars	港幣	-	-
Swiss Francs	瑞士法郎	65,785	95,936
Other currencies	其他貨幣	-	3
		65,785	95,939

Convertible bonds

On 10th September 2007, Venturepharm Laboratories Limited, issued bonds of an aggregate principal amount of CHF 15,000,000 (the "Bonds"). Unless previously redeemed, repurchased and cancelled or converted, any outstanding Convertible Notes shall be redeemed at the Redemption Amount on the date falling on the fifth anniversary of the date of issue of the Convertible Notes.

The Noteholders will have the right to convert, at the Conversion Price, the whole of the principal amount of the Convertible Notes into Shares at any time and from time to time, from the date of issue of the Convertible Notes.

20. 借款 (續)

本集團和本公司的借款賬面值以下列貨幣交易：

		Group and the Company 本集團及本公司	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
HK dollars	港幣	-	-
Swiss Francs	瑞士法郎	65,785	95,936
Other currencies	其他貨幣	-	3
		65,785	95,939

可換股債券

於二零零七年九月十日，萬全科技藥業有限公司發行本金總額為15,000,000瑞士法郎之債券（「債券」）。除非先前已予贖回、購回及註銷或轉換，本公司將於可換股票據之發行日期第五週年當日以贖回金額贖回任何未償還之可換股票據。

票據持有人可自可換股票據發行日期起任何時候及不時於每次轉換時按換股價格將全部本金額可換股票據轉換成股份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20. BORROWINGS (Continued)

Convertible bonds (Continued)

Noteholders may at any time during the period on or after the date of issue of the Convertible Notes and prior to the close of business on the Maturity Date or (i) if the Company shall have exercised its rights to redeem the Convertible Notes (Tax Redemption or Early Redemption), then up to the fifth business day preceding the date fixed for such redemption, (ii) if the Company shall be in breach of its obligations under the terms of the Convertible Notes (Event of Default), then up to the time when the Convertible Notes become due and repayable to convert, at the Conversion Price, the whole or any part of the Convertible Notes held by the Noteholders into Conversion Shares.

The Company shall be entitled at any time while the Convertible Notes are outstanding to redeem all outstanding Convertible Notes at the Redemption Amount provided that the closing price of the Shares on the Stock Exchange for a period of 30 consecutive trading days is at least 130% of the then applicable Conversion Price on each such trading day.

20. 借款 (續)

可換股債券 (續)

票據持有人可在可換股票據發行日起或之後並在到期日營業結束前的期間內之任何時間，或者(i)若公司行使贖回可換股票據(稅收贖回或提早贖回)之權利，則直到定為贖回之日前的第五個營業日；(ii)若公司違反其於可換股票據條款項下的責任(違約事件)，則直到可換股票據到期須償還時，按換股價格將票據所有人所持有的全部或任何部份可換股票據轉換成換股股份。

倘若聯交所連續三十個交易日之股份收盤價至少是在每個如此之交易日當時適用之換股價格的130%，本公司有權在可換股票據尚未償還時，隨時按贖回金額贖回所有已經公開發行並出售的可換股票據。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Convertible bonds	可換股債券	65,785	95,936

Interest expense of approximately RMB3,991,000 (2007: 1,040,000) has been recognised in the income statement in respect of the convertible bonds for the year ended 31st December 2008.

截至二零零八年十二月三十一日止年度，大概人民幣3,991,000元(二零零七年：1,040,000元)的可換股債券利息費用於收益表中列支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable taxation rates prevailing in the countries/places in which the Group operates.

Details of deferred taxation are as follows:

		Group 集團	
		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅款資產		
– Deferred tax asset to be recovered after more than 12 months	– 十二月以上回轉的遞延稅款資產	5,753	–
– Deferred tax asset to be recovered within 12 months	– 十二月之內回轉的遞延稅款資產	2,375	–
		8,128	–

No deferred taxation was charged to equity during the year (2007: Nil).

The movements in deferred tax assets during the year are as follows:

		Provisions 撥備		Tax loss 稅務虧損		Total 合計	
		2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元	2008 RMB'000 人民幣千元	2007 RMB'000 人民幣千元
At 1st January	於一月一日	–	–	–	–	–	–
Credited to the income statement	貨記損益表	5,753	–	2,375	–	8,128	–
At 31st December	於十二月三十一日	5,753	–	2,375	–	8,128	–

21. 遞延稅款

遞延稅款是用本集團經營所在地所適用之稅率以暫時差異為基礎使用負債法來計算：

遞延稅款詳情如下：

本年度無遞延稅款沖減權益（二零零七年：無）。

本年度遞延稅款資產變動如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21. DEFERRED TAXATION (Continued)

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. The tax losses do not expire under current tax legislation.

There was no material unprovided deferred tax as at 31st December 2008 (2007: Nil).

22. OTHER INCOME

Gain on foreign exchange	匯兌損益		
Government subsidy	政府資助		
Financial assets at fair value through profit or loss	交易性金融資產		
– fair value losses	– 公平價損失		
– fair value gains	– 公平價贏利		
Dividend income	股利收入		
Business tax return	稅收退還		
Gain on revaluation of corporate bond	公司債券重估收益		
Others	其他		
Profit on security dealing	證券交易收益		

2008	2007
二零零八年	二零零七年
RMB'000	RMB'000
人民幣千元	人民幣千元

		–	146
		197	598
		(23,461)	–
		913	163
		214	–
		205	–
		30,404	–
		305	–
		3,538	–
		12,315	907

During the year, the Group received RMB197,000 of government subsidy (2007: RMB598,000) towards the research and development projects.

21. 遞延稅款 (續)

除非未來有應稅收入足以抵減其臨時性差異所影響稅額，才能確認遞延稅款資產。根據目前稅法，稅務虧損不會過期。

於二零零八年十二月三十一日，無重大未撥備遞延稅款(二零零七年：無)。

22. 其他收入

本年度本集團獲得有關研發項目的政府資助人民幣197,000(二零零七年：人民幣598,000)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

23. FINANCE INCOME AND COSTS

23. 利息收入及財務費用

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expense:	利息費用		
– Bank charges	– 銀行費用	(53)	(325)
– Exchange loss	– 匯兌損失	(3,687)	(3,376)
– Interest on margin financing	– 保證金籌資費用	(237)	
– Convertible bond interest	– 可換股債券利息	(3,397)	(597)
– Convertible bond expenses	– 可換股債券費用	(594)	(1,040)
Finance costs	財務費用	(7,968)	(5,338)
Finance income	利息收入		
– Interest income from short term bank deposits	– 短期銀行存款利息收入	573	574
– Interest income from convertible bonds	– 可換股債券利息收入	–	952
Finance income	利息收入	573	1,526
Net finance costs	淨財務費用	(7,395)	(3,812)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24. EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

24. 費用性質

銷售成本及管理費用分析如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Cost of material consumed	原材料消耗成本	12,098	6,092
Depreciation	折舊	2,747	1,769
Amortisation of new drugs technology including in administrative expenses	管理費用中新藥技術開發攤銷	1,741	1,149
Auditors' remuneration	審計費用	624	633
Employee benefit expenses (Note 25)	僱員福利費用(附註25)	18,725	19,874
Operating lease payment	經營租賃費用	2,256	2,530
Loss on disposal of property plant and equipment	出售物業、設備及廠房損失	282	-
Loss on disposal of associate	出售聯營公司損失	-	935
Provision for doubtful debt	壞賬準備	19,492	-
Impairment loss of intangible assets	無形資產減值損失	7,465	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25. EMPLOYEE BENEFIT EXPENSE

25. 僱員福利費用

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	17,903	19,088
Retirement benefits scheme contributions	退休福利計劃供款	822	862
Lapse of share based options	購股權失效	-	(76)
		18,725	19,874

(a) Directors' and senior management's emoluments

(a) 董事及高級管理層酬金

	Director's fee		Salaries and bonus		Provident fund contribution		Employee share-based payment		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	RMB'000	RMB'000	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	人民幣千元	人民幣千元
William, Xia GUO 郭夏	-	-	479	480	-	-	-	-	479	480
Maria, Siu Mui SONG 宋雪梅	-	-	373	221	14	12	159	-	546	233
FENG Tao 馮濤	-	-	-	-	-	-	-	-	-	-
Wu Xin 吳欣	-	-	-	-	-	-	-	-	-	-
Nathan Xin ZHANG 張欣	-	-	-	-	-	-	-	-	-	-
WU Ming Yu 吳明瑜	30	30	-	-	-	-	-	-	30	30
Paul CONTOMICHALOS Paul CONTOMICHALOS	-	-	-	-	-	-	-	-	-	-
WANG Hong Bo 王紅波	-	-	-	-	-	-	-	-	-	-
	30	30	852	701	14	12	159	-	1,055	743

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25. EMPLOYEE BENEFIT EXPENSE (Continued)

(b) Five highest paid individual

The five individuals whose emoluments were the highest in the Group for the year included two (2007: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable of the remaining three (2007: three) individuals during the year are as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	1,360	816
Employee share-based payment	員工股份付款	269	-
Retirement benefits scheme contributions	退休福利計劃供款	43	25
		1,672	841

The emoluments of each of the five highest paid employees are less than HKD1,000,000.

During the year, no emoluments were paid by the Group to any 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 in the year.

25. 僱員福利費用 (續)

(b) 五名最高薪酬人士

五名最高薪酬人士包括兩名(二零零七年: 兩名)本公司董事。他們的薪酬前面已做分析。其餘三名(二零零七年: 三名)之酬金如下:

五名最高薪酬僱員之酬金均少於1,000,000港元。

本年度內，本集團概無向本公司董事或五名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

26. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the year (2007: Nil).

PRC enterprise income tax has been calculated on the estimated assessable profit for the year according to the relevant laws and regulations.

Beijing Dezhong-Venture Pharmaceutical Technology Development Co., Ltd. ("Dezhong VP") and Beijing New Dezhong-Venture Pharmaceutical Technology Development Co., Ltd. ("New Dezhong VP"), subsidiaries of the Company, qualify as foreign investment industrial and high 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.

The amount of taxation charged to the consolidated income statement represents:

26. 所得稅

由於本集團於本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。(二零零七年：無)

中國企業所得稅乃根據中國有關法律及規例計算。

本公司附屬公司北京德眾萬全藥物技術開發有限公司(「德眾萬全」)和北京德眾萬全醫藥科技有限公司(「萬全醫藥科技」)被認定為外資企業和高科技企業，執行中國企業所得稅法，抵扣以前年度虧損後利潤以15%稅率計算繳納所得稅。

綜合收益表中稅收費用如下：

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
PRC enterprise income tax	中國企業所得稅		
– current year	– 本年度	2,129	788
– over-provision in prior years	– 以前年度過度撥備	(3,931)	–
Deferred taxation (Note 21)	遞延稅款(附註21)	(8,128)	–
		(9,930)	788

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

26. INCOME TAX (Continued)

The taxation on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise using PRC enterprise income tax rate as follows:

26. 所得稅 (續)

以稅前利潤(虧損)為基礎，本集團所得稅與以中國稅法企業所得稅率計算之理論稅額之區別如下：

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(Loss)/profit before taxation	稅前利潤／(虧損)	(27,242)	1,888
Calculated at a taxation rate of 15% (2007: 15%)	以15%稅率計稅 (2007: 15%)	(4,086)	283
Different taxation rates	其他稅率計稅	(1,668)	18
Income not subject to taxation	不計稅收入	(245)	(122)
Preferential tax rate in respect of tax holiday enjoyed by the PRC subsidiaries	中國附屬公司享受稅收減免 之優惠稅率計稅	-	(822)
Expenses not deductible for taxation purposes	不能抵扣費用	-	1,073
Unrecognised timing differences	未確認時間性差異	-	358
Over-provision in prior years	以前年度過度撥備	(3,931)	-
Taxation	稅收費用	(9,930)	788

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

26. INCOME TAX (Continued)

The National People's Congress approved the Corporate Income Tax Law of the PRC (the new "CIT Law") on 16th March 2007 and the State Council announced the Detail Implementation Regulations ("DIR") on 6th December 2007, which was effective from 1st January 2008. According to the new CIT Law, the income tax rates for both domestic and foreign investment enterprises will be unified at 25% effective from 1st January 2008. However, for enterprises which were established before the publication of the new CIT Law and were entitled to preferential treatments of reduced CIT tax rate granted by relevant tax authorities, the new CIT rate may be gradually increased to 25% within 5 years after the effective date of the new CIT Law. For the region that enjoys a reduced CIT rate at 15%, the new CIT rate will gradually increase to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% for 2012 according to grandfathering rules stipulated in the DIR and related circular. Enterprises that are currently entitled to exemptions or reductions from the standard income tax rate for a fixed term may continue to enjoy such treatment until the fixed term expires.

27. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The (loss)/profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately RMB16,354,000 (2007: RMB1,597,000).

26. 所得稅 (續)

中國人民代表大會於二零零七年三月十六日批准中華人民共和國的《企業所得稅法》(新《企業所得稅法》)，國務院於二零零七年十二月六日頒佈了新《企業所得稅法實施條例》，新企業所得稅法與實施條例於二零零八年一月一日起實施。按照新企業所得稅法規定，內資企業與外資企業所得稅率交將從二零零八年一月一日起統一為25%，對於新稅法頒佈前成立的企業經相關稅務局的批准享受優惠低稅率的企業，按所得稅實施條例規定，新稅率將逐步在新稅法生效後五年內逐步提高，於二零零八年、二零零九年、二零一零年、二零一一、二零一二年分別使用15%、18%、20%、22%、24%、25%的稅率。目前享有減免稅的企業將繼續享受，直至優惠期滿。

27. 本公司權益持有人應佔的損益

在本公司財務報表中，本公司權益持有人應佔的虧損為人民幣16,354,000 (二零零七年：盈利人民幣1,597,000)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. (LOSS)/EARNINGS PER SHARE

(a) Basic earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

28. 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)的計算乃將本年度內本公司普通股股東應佔溢利／(虧損)除以本年度內本公司已發行普通股加權平均股數計算。

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(Loss)/profit attributable to equity holders of the Company	本公司普通股股東應佔溢利／(虧損)	(16,354)	1,597
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均股數 ('000股)	361,735	360,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28. (LOSS)/EARNINGS PER SHARE (Continued)

(b) Diluted (loss)/earnings per share

The calculation of the diluted (loss)/earnings per share for the year is based on the (loss)/profit attributable to ordinary equity shareholders of the Company for the year of approximately RMB16,354,000 (2007: RMB1,597,000) and the weighted average number of 441,402,000 (2007: 381,405,000) ordinary shares after adjusting for the effect of the dilutive potential ordinary shares to be issued to the exercise of the options granted under all relevant Share Option Schemes as detailed in note 28 below of 79,667,000 (2007: 21,405,000) shares, calculated as follows:

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(Loss)/profit attributable to equity holders of the Company	本公司普通股股東應佔溢利／(虧損)	(16,354)	1,597
Weighted average number of ordinary shares in issue (thousands)	普通股加權平均股數 ('000股)	361,735	360,000
Adjustment for:	調整：		
– Effect of deemed issue of ordinary shares under the Company's Share option schemes (thousands)	根據本公司購股權計劃視作發行普通股的影響 ('000股)	79,667	21,405
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利之普通股加權平均股數 ('000股)	441,402	381,405

28. 每股盈利／(虧損) (續)

(b) 每股攤薄盈利

每股攤薄盈利／(虧損)的計算乃基於年內本公司普通股股東應佔溢利／(虧損)約RMB16,354,000(二零零七年：RMB1,597,000)及普通股加權平均股數441,402,000(二零零七年：381,405,000)股，已就由於行使有關購股權計劃(詳見下文附註28)下授出的購股權而將予發行的攤薄潛在普通股79,667,000(二零零七年：21,405,000)股的影響作出調整，計算如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29. CASH USED IN OPERATIONS

29. 經營活動產生之現金流量

		2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元
(Loss)/profit before income tax	稅前利潤／(虧損)	(27,242)	1,888
Adjustment for	調整		
– Depreciation (Note 6)	– 折舊 (附註6)	2,329	1,769
– Amortisation (Note 7)	– 攤銷 (附註7)	1,741	1,149
– Fair values loss on convertible bond	– 可換股債券公平價值損失	(30,404)	–
– Allowance for work in progress (Note 11)	– 在製品準備 (附註11)	–	(714)
– Exchange gain	– 匯兌損益	253	23
– Loss on disposal of associate	– 出售聯營公司損失	–	935
– Impairment of investment	– 投資減值	–	167
– Impairment of intangible asset	– 無形資產減值	7,465	–
– Provision on accounts receivable	– 應收賬款減值撥備	19,492	–
– Gain on disposal of property, plant and machines	– 處置物業、廠房及設備收益	405	–
– Finance cost – net	– 財務費用 – 淨值	2,882	(1,526)
– Fair value losses/(gains) on other financial assets at fair value through profit or loss	– 交易性金融資產公平價值變動損益	19,019	(163)
– Dividend income from financial assets at fair value through profit or loss	– 交易性金融資產股息收入	(214)	–
– Share-based payment expenses	– 股份支付費用	–	(76)
Changes in working capital	營運資金變動	(4,274)	3,452
– Work in progress	– 在製品	(2,476)	(19,569)
– Trade receivables	– 應收貿易賬款	(1,985)	(12,698)
– Prepayments, deposits and other receivables	– 預付賬款、按金及其他應收款	406	(17,018)
– Amount due (to)/from related companies	– 應收(付)關聯公司款項	629	667
– Trade and other payables	– 應付貿易賬款及其他應付款	2,639	3,974
– Receipt in advance	– 預收賬款	(19,829)	18,700
– Dividend payable	– 股利支付	–	(54)
Cash used in operations	經營活動產生之現金流出	(24,890)	(22,546)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30. 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 machinery, land and buildings which fall due as follows:

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
No later than 1 year	一年內	2,188	2,582
Later than 1 year an no later than 5 years	一年以上但五年以內	6,528	8,535
Later than 5 years	超過五年	1,954	4,602
		10,670	15,719

31. RELATED-PARTY TRANSACTIONS

Key personnel management:

Remuneration for key personnel management, including amount paid to the Company's directors and certain of the highest paid employee, as disclosed in note 25 is as follows:

		2008	2007
		二零零八年	二零零七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and allowances	薪金福利	1,360	816
Share – based payment expenses	股份支付費用	269	–
Retirement benefits scheme contributions	退休金供款	43	–
		1,672	816

30. 經營租約承擔

於結算日，本集團根據有關機器、土地及樓宇的不可撤銷經營租約承擔之未來最低租金如下：

31. 關聯交易

重要管理人員：

付給重要管理人員個人的報酬，包括付給公司董事和若干高薪人員的報酬。(本公司與該等有關連人士之結餘載於附註25) 詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32. CONTINGENT LIABILITIES

As at 31st December 2008, the Group and Company has no significant contingent liabilities.

32. 或然負債

於二零零八年十二月三十一日，本集團和本公司均無重大或然負債。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

		Year ended 31st December				
		截止十二月三十一日				
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		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
Turnover	營業額	36,157	42,157	57,052	38,729	39,186
(Loss)/profit before taxation	稅前溢利／(虧損)	11,480	6,403	18,773	1,888	(27,242)
Taxation	稅金	(881)	(887)	(3,175)	(788)	9,930
(Loss)/profit after taxation before minority interests	除稅後但未計少數股東權益前溢利／(虧損)	10,599	5,516	15,598	1,100	(17,312)
Minority interests	少數股東權益	84	128	(35)	497	958
(Loss)/profit for the year after minority interest	扣除少數股東權益後之本年度溢利／(虧損)	10,683	5,644	15,563	1,597	(16,354)

ASSETS AND LIABILITIES

資產及負債

		Year ended 31st December				
		截止十二月三十一日				
		2004	2005	2006	2007	2008
		二零零四年	二零零五年	二零零六年	二零零七年	二零零八年
		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
Total assets less current liabilities	總資產減流動負債	102,135	106,398	122,136	219,172	172,141
Non current liabilities	非流動負債					
Corporate bonds payable	應付公司債券	-	-	-	(95,936)	(65,785)
Minority interests	少數股東權益	(3,190)	(3,054)	(3,089)	(2,592)	(1,620)
Shareholders' funds	股東資金	98,945	103,344	119,047	120,644	104,736

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

Notes to the financial summary:

1. The results for each for the five years ended 31st December 2008 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 results for each of the four years ended 31st December 2004, 2005, 2006 and 2007 have been extracted from the corresponding audited annual financial statements.
2. This financial summary indicates the consolidated results of the Company and its subsidiaries with effect from 1st January 2004 or since their respective dates of incorporation or acquisition, whichever is a shorter period. The consolidation balance sheets at 31st December 2004, 2005, 2006, 2007 and 2008 are the combination of the balance sheets of the Company and its subsidiaries at 31st December 2004, 2005, 2006, 2007 and 2008. In the opinion of the directors, the resulting consolidated financial statements give a more meaningful view of the results and state of affairs of the Group as a whole.

財務概要附註：

1. 截至二零零八年十二月三十一日止五個年度各年之業績已按照合併基準編製，以顯示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。截至二零零三年、二零零四年、二零零五年及二零零六年十二月三十一日止四個年度各年之業績乃摘錄自相應之經審核年度財務報表。
2. 本財務概要顯示本公司及其附屬公司自二零零四年一月一日或彼等各自註冊成立或收購日期（以較近日期為準）以來之綜合業績。於二零零三年、二零零四年、二零零五年、二零零六年、二零零七及二零零八年十二月三十一日之綜合資產負債表乃本公司及其附屬公司於二零零三年、二零零四年、二零零五年、二零零六年、二零零七及二零零八年十二月三十一日之資產負債表之合併。董事認為，合併後之綜合財務報表更好地呈現本集團之業績及整體狀況。

