



# 董事會報告書 Report of the Directors

本董事會謹向股東提呈本公司二零零零年董事會報告和本公司及本集團截至二零零零年十二月三十一日止年度經審核之賬目。

The Board of Directors of the Company (the "Board") presents herewith its report, and the audited accounts of the Company for the year ended 31 December 2000.

## 董事會工作報告

## WORKING REPORT OF THE BOARD

1. 本年度內，本公司董事會於公司住所召開了三次會議：

1. During the year, the Board convened three meetings at the Company's registered office:

A. 本公司於二零零零年四月十四日召開第一次董事會會議，通過如下決議：

A. On 14 April 2000, the first meeting was convened, during which the following resolutions were passed:

(1) 批准本公司一九九九年董事會報告提案；

(1) To approve the report of the Directors for the year 1999;

(2) 批准本公司及本集團一九九九年經審計之財務報告提案；

(2) To approve the audited accounts of the Company and the Group for the year 1999;

(3) 批准本公司一九九九年利潤分配方案提案；

(3) To approve the profit appropriation plan of the Company for the year 1999;

(4) 批准續聘國際及中國核數師並授權董事釐定其酬金提案；

(4) To approve the re-appointment of PricewaterhouseCoopers (Certified Public Accountants in Hong Kong) and Shine Wing (Certified Public Accountants in PRC) as the international and PRC auditors respectively for 2000 and authorise the Directors to fix the auditors' remuneration;

(5) 批准本公司二零零零年度董事、監事酬金提案；

(5) To approve the remuneration of the Directors and the Supervisors for the year 2000;

(6) 批准關於資產減值準備和損失處理的內部控制制度；

(6) To approve the internal control policies of the Company in respect of provision for diminution in value of assets and treatment of related losses;

(7) 批准公司總經理提交的有關核銷和計提資產減值準備的書面報告；

(7) To approve the written report on the provisions for diminution in value of assets and treatment of related losses submitted by the general manager;



## 董事會報告書 (續) Report of the Directors (Continued)

### 董事會工作報告 (續)

- (8) 批准梁尚誠先生辭去董事職務；
- (9) 通過了關於授權本公司董事會購回不超過已發行H股股份面值總額10%的H股股份的提案。
- B. 本公司於二零零零年七月二十一日在公司住所召開第二次董事會會議，通過如下決議：
- (1) 審議通過截至二零零零年六月三十日止六個月的中期報告；
- (2) 建議不派發二零零零年中期股息，也不進行公積金轉增股本。
- C. 本公司於二零零零年十月二十五日在公司住所召開第三次董事會會議，通過如下決議：
- (1) 審議通過關於公司向中國證監會申請增發不超過3,000萬股A股的議案，包括發行股票類型、發行數量、每股面值、發行對象、定價方式、發行方式、募集資金用途的提案。
- (2) 審議通過關於授權公司董事會在本次增發A股工作完成後，對公司章程作出相應修改，並向中國有關當局辦理有關修訂手續的提案。

### WORKING REPORT OF THE BOARD (Continued)

- (8) To approve the resignation of Mr. Liang Shangcheng from the position of director; and
- (9) To approve and authorise the Board to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of the total H Shares in issue.
- B. On 21 July 2000, the second meeting was convened, during which the following resolutions were passed:
- (1) To approve the interim report for the six months ended 30 June 2000; and
- (2) To recommend neither the distribution of an interim dividend, nor any transfer from capital reserves into share capital.
- C. On 25 October 2000, the third meeting was convened, during which the following resolutions were passed:
- (1) To approve the proposed application to the China Securities and Regulatory Commission for the issue of not more than 30 million A Shares of the Company (the "A Shares Issue"). The details of the application included the type of securities to be issued, number of additional A Shares to be issued, par value, target subscribers, pricing and issue price, offering structure and proposed use of proceeds;
- (2) To approve and authorise the Board, upon the completion of the A Shares Issue, to make amendments to the Articles of Association, and to file the amendments for registration with the relevant authorities in the PRC;



## 董事會報告書 (續) Report of the Directors (Continued)

### 董事會工作報告 (續)

- (3) 審議通過關於授權公司董事會全權辦理本次增發A股的有關事宜的提案。
  - (4) 審議通過關於本次增發A股完成後，新老股東共享本次發行以前滾存利潤的提案。
  - (5) 審議通過關於增發A股募集資金計劃投資項目可行性的提案。
  - (6) 審議通過關於前次股份發行所募集資金使用情況的說明及信永會計師事務所關於公司前次股份發行所募集資金使用情況的專項報告的提案。
2. 一九九九年度公司股息已於二零零零年八月八日前派發完畢。二零零零年第一次臨時股東大會有關增發A股事宜正在辦理之中。
  3. 於二零零零年六月十二日，本公司週年股東大會審議通過關於授權本公司董事會購回不超過已發行H股股份面值總額10%的H股股份議案。本公司董事會確認截至二零零零年十二月三十一日止並未行使該等購回H股股份之一般授權。

### WORKING REPORT OF THE BOARD (Continued)

- (3) To approve and authorise the Board to do for and on behalf of the Company all relevant matters in connection with the A Shares Issue;
  - (4) To approve, upon the completion of the A Shares Issue, the existing and new shareholders of the Company be entitled to the undistributed profits of the Company;
  - (5) To approve the investment projects which are to be financed by the net proceeds received from the A Shares Issue; and
  - (6) To approve the explanatory statements in relation to the use of proceeds raised previously from the issue of A Shares.
2. The dividends for 1999 were fully paid by 8 August 2000. The A Shares Issue approved by the first extraordinary general meeting in 2000 is being dealt with.
  3. On 12 June 2000, a Share Repurchase Mandate was granted to the Directors at the 1999 annual general meeting authorising the Directors to repurchase H Shares up to a maximum of 10% of the H Shares in issue at the date of passing the resolution. The Board confirmed that the Share Repurchase Mandate had not been exercised as at 31 December 2000.



董事會報告書 (續)  
Report of the Directors (Continued)

董事、監事及高級管理人員在股份中之權益

於本年度及截至本報告之編製日期間在本公司任職的董事、監事持有本公司股份權益無變化。根據本公司按香港證券（披露權益）條例第二十九條設置的登記冊記錄或根據本公司所知，本公司董事、監事及高級管理人員持有本公司股份權益如下：

DIRECTORS', SUPERVISORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

The Directors and Supervisors who held offices during the year and up to the date of this report and, according to the register of shareholders maintained by the Company in accordance with section 29 of the Securities (Disclosure of Interests) Ordinance or to the knowledge of the Company, the shareholding of each of the Directors, Supervisors and Senior Officers of the Company were as follows:

		個人實益權益	
		Beneficial personal interests	
		二零零零年 十二月三十一日	二零零零年 一月一日
		As at 31 December 2000	As at 1 January 2000
		持股數	持股數
		Number of shares held	Number of shares held
<b>執行董事：</b>	<b>Executive Directors</b>		
賀端湜 董事長	Mr. He Duanshi, Chairman	4,500	4,500
魯省民 副董事長	Mr. Lu Shengmin, Vice Chairman	4,500	4,500
李奕偉	Mr. Li Yiwei	4,500	4,500
李 治	Mr. Li Zhi	4,500	4,500
張功權	Mr. Zhang Gongquan	4,500	4,500
李士祥	Mr. Li Shixiang	4,500	4,500
于公福	Mr. Yu Gongfu	4,500	4,500
劉從德	Mr. Liu Congde	3,500	3,500
高慶剛	Mr. Gao Qinggang	3,237	3,237
梁尚誠（於二零零零年 四月十四日離任）	Mr. Liang Shangcheng (resigned on 14 April 2000)	4,500	4,500



董事會報告書 (續)  
Report of the Directors (Continued)

董事、監事及高級管理人員在股份中之權益 (續)

DIRECTORS', SUPERVISORS' AND SENIOR OFFICERS' INTERESTS IN SHARES (Continued)

		個人實益權益	
		Beneficial personal interests	
		二零零零年 十二月三十一日	二零零零年 一月一日
		As at 31 December 2000	As at 1 January 2000
		持股數	持股數
		Number of shares held	Number of shares held
<b>非執行董事：</b>	<b>Non-executive Directors</b>		
齊謀甲	Mr. Qi Moujia	未持有 nil	未持有 nil
蕭 瑜	Mr. Xiao Yu	未持有 nil	未持有 nil
周怡菁	Ms. Julia Frances Charlton	未持有 nil	未持有 nil
<b>監事：</b>	<b>Supervisors</b>		
馬景星	Mr. Ma Jingxing	4,500	4,500
于長杰	Mr. Yu Changjie	3,000	3,000
翟魯敏	Ms. Zhai Lumin	未持有 nil	未持有 nil
王 烜	Ms. Wang Xuan	未持有 nil	未持有 nil
劉愛紅	Ms. Liu Aihong	未持有 nil	未持有 nil
<b>高級管理人員：</b>	<b>Senior Officers</b>		
郭 琴	Ms. Guo Qin	12,483	12,483
張忠明	Mr. Zhang Zhongming	3,237	3,237
任福龍	Mr. Ren Fulong	3,240	3,240
曹長求	Mr. Cao Changqiu	3,000	3,000
郭 磊	Ms. Guo Lei	未持有 nil	未持有 nil

本公司董事、監事及高級管理人員所持的股份均為A股，並於截至二零零零年十二月三十一日止年度內持股人及所持股份無增減變動情況。

Shares held by the Directors, Supervisors and Senior Officers are A Shares and the number of shares and the persons holding them remained unchanged during the year 2000.



## 董事會報告書 (續) Report of the Directors (Continued)

### 董事、監事酬金

本年度本公司董事、監事的酬金詳情載於按香港普遍採納之會計原則編製賬目附註9。

### 最高酬金人士

本年度本集團及本公司獲最高酬金的前五名人士均為本公司執行董事。

### 董事、監事購買股份或債券之權利中取得之利益

本公司，其控股公司及控股公司其他附屬公司概無於本年度內任何時間訂立任何安排，致使本公司之任何董事、監事或其配偶或其未滿十八歲子女透過購入本公司或任何其他公司之股份或債券而獲得利益。

### 董事、監事之服務合約

所有董事、監事與本公司訂立由一九九九年七月一日開始，為期三年的服務合約。並於同日開始生效。雙方可根據合約條文重訂該服務合約。

現任董事或監事與本公司概無訂立若於一年內作出賠償（法定賠償除外）方可終止之服務合約。

### 管理合約

本年度內，本公司並無整體業務或任何主要業務的管理或行政工作簽訂或存有任何合約。

### REMUNERATION OF DIRECTORS AND SUPERVISORS

Details of the remuneration of the Company' Directors and Supervisors are set out in note 9 to the Accounts prepared under HKGAAP.

### INDIVIDUALS WITH THE HIGHEST REMUNERATION

The five individuals with the highest salaries paid by the Group and the Company during the year were all Executive Directors of the Company.

### DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company, its holding company or its fellow subsidiaries a party to any arrangements to enable any of the Company's Directors, Supervisors, or their spouses or children under 18 years of age to acquire shares in, or debentures of, the Company or any other body corporate.

### SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors entered into a service contract with the Company for a period of three years which commenced on 1 July 1999. The terms of the service contracts may be renewed by both parties pursuant to the terms thereof.

No existing Directors or Supervisors have a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.



## 董事會報告書 (續) Report of the Directors (Continued)

### 董事與監事之合約中的利益

公司非執行董事周怡菁女士現為易周律師行的負責人，該律師行為本公司的香港法律顧問，代表本公司處理事務，及就此收取並將繼續收取法律服務費用。

除上述以外，本公司、其控股公司或控股公司其他附屬公司於本年度年終或年內任何時間概無訂立與本公司業務有關連之重大合約，致使任何董事或監事於其中享有重大利益。

### 賬目

根據香港普遍採納之會計原則及中國會計準則編製的有關本集團截至二零零零年十二月三十一日止年度業績及本集團及本公司於二零零零年十二月三十一日財務狀況分別載於「按香港普遍採納之會計原則編製之賬目」及「按中國會計準則編製之賬目」。

### 財務摘要

本集團於過去五個財政年度的業績、資產及負債載於「會計數據和業務數據摘要」。

### DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

Ms. Julia Frances Charlton, a non-executive director of the Company, is currently a partner of the law firm, Charltons, the legal advisor of the Company on Hong Kong law, which receives and will receive legal fees in connection with its representation of the Company's affairs.

Except as stated above, no contracts of significance in relation to the Company's business to which the Company, its holding company and its fellow subsidiaries and in which any directors or supervisors had a material interest, whether directly or indirectly, existed at the end of the reporting year or at any time during the year.

### ACCOUNTS

The Group's result for the year ended 31 December 2000 and the financial position of the Group and the Company as at 31 December 2000 prepared in accordance with HKGAAP and PRC accounting standards are set out in the "Accounts prepared in accordance with HKGAAP" and "Accounts prepared in accordance with PRC Accounting Standards" respectively.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group prepared in accordance with HKGAAP and PRC accounting standards for the last five financial years is set out in section headed "Summary of Financial and Operating Results".



## 董事會報告書 (續) Report of the Directors (Continued)

### 股息

根據中國會計準則計算的本集團本報告期實現淨利潤為人民幣69,119千元，按10%提取法定盈餘公積金人民幣6,912千元；按5%提取公益金人民幣3,456千元；按10%提取任意盈餘公積金人民幣6,912千元；建議派發末期股利每股人民幣0.08元，共計人民幣34,185千元後，本報告期增加未分配利潤人民幣17,654千元。

董事會宣佈及建議派發截至二零零零年十二月三十一日止年度的股息如下：

建議末期股息每股人民幣0.08元（折合港幣約0.0754元，A股含稅），按已發行之277,312,830股A股及150,000,000股H股計算。

二零零一年利潤分配政策：(1)二零零一年利潤分配次數為1次，(2)二零零一年股利分配為二零零一年淨利潤的35%至45%之間，(3)二零零零年末未分配利潤將不進行分配，(4)二零零一年將以現金方式進行利潤分配。

### DIVIDEND

In accordance with PRC accounting standards, the Group realised a net profit of RMB69,119,000, of which 10% is appropriated to the statutory surplus reserve, 5% is appropriated to the welfare reserve, and 10% is appropriated to the discretionary surplus reserve, amounting to RMB6,912,000, RMB3,456,000 and RMB6,912,000, respectively. After taking account of the proposed final dividend for 2000 of RMB0.08 per share, which represents a total final dividend payable of RMB34,185,000, the undistributed profit of the Group for the reporting period is increased by RMB17,654,000 as compared to the previous year.

The Board declares and proposes the final dividend for the year ended 31 December 2000 as follows:

To declare a final dividend for the year 2000 of RMB0.08 per share (approximately HK\$0.0754, including income tax for A Shares), based on 277,312,830 A Shares and 150,000,000 H Shares in issue.

Profit appropriation policy for the year 2001 will be as follows: (1) the profit for the year 2001 will only be distributed once; (2) the dividend for 2001 will be 35% to 45% of the net profit of 2001; (3) the undistributed profit for the year 2000 will not be distributed; and (4) the profit distribution will be paid in the form of cash in 2001.





## 董事會報告書 (續) Report of the Directors (Continued)

### 主要業務及按地區劃分的營業額

本集團主要從事開發、製造及銷售化學原料藥、製劑（如針劑與片劑）、化工及其他產品。

本集團按地區分析之營業額如下：

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Group are the development, production and sales of bulk pharmaceuticals, preparations (e.g. injections and tablets), chemicals and other products.

An analysis of the Group's turnover by geographical locations is as follows:

營業額 (人民幣千元)

Turnover (RMB'000)

二零零零年 2000	一九九九年 1999	增減變化% change (%)
697,815	628,023	11.11
158,357	148,189	6.86
129,401	140,671	-8.01
58,500	33,778	73.19
<b>1,044,073</b>	<b>950,661</b>	<b>9.83</b>

#### 主要銷售地

#### Geographical location

中國（包括香港）  
歐洲  
美洲  
其他

PRC (including Hong Kong)  
Europe  
Americas  
Other

合計

Total

由於各地區的經營盈利與營業額之一般比率並無重大差異，故未就以上之地區劃分作盈利貢獻分析。

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis was performed on profit contributions from the above geographical locations.



董事會報告書 (續)  
Report of the Directors (Continued)

股本變動及股東情況介紹

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS

1. 股本結構情況

1. Share capital structure

		於二零零零年 十二月三十一日 As at 31 December 2000 股數 Number of Shares	於二零零零年 一月一日 As at 1 January 2000 股數 Number of Shares
<b>一、尚未流通股份</b>	<b>I. Unlisted Shares</b>		
1. 發行人股份 (A股)	1. Issuers' shares (A Shares)	<b>217,440,000</b>	217,440,000
其中：	– including state shares held		
國家擁有股份	by SXPGC (A Shares)		
(由山東新華醫藥集團			
有限責任公司持有)			
(A股)			
2. 募集法人股 (A股)	2. Domestic legal person shares	<b>16,719,500</b>	16,719,500
	(A Shares)		
3. 內部職工股 (A股)	3. Internal staff shares (A Shares)	—	30,653,330
尚未流通股份合計	Total number of unlisted shares	<b><u>234,159,500</u></b>	<b><u>264,812,830</u></b>
<b>二、已流通股份</b>	<b>II. Listed Shares</b>		
1. 境內上市的人民幣普通股	1. Domestic listed ordinary shares		
(A股)	(A Shares)	<b>43,153,330</b>	12,500,000
2. 境外上市的外資股	2. Overseas listed foreign shares		
(H股)	(H Shares)	<b>150,000,000</b>	150,000,000
已流通股份合計	Total number of listed shares	<b><u>193,153,330</u></b>	<b><u>162,500,000</u></b>
<b>三、股份總數</b>	<b>III. Total Number of Shares</b>	<b><u>427,312,830</u></b>	<b><u>427,312,830</u></b>

註：二零零零年度內本公司股份總數無變動；二零零零年七月二十六日本公司30,653,330股內部職工股在深圳證券交易所上市流通。

Note: No change in the number of shares occurred in 2000 save for 30,653,330 internal staff shares that were listed on Shenzhen Stock Exchange on 26 July 2000.



## 董事會報告書 (續) Report of the Directors (Continued)

### 股本變動及股東情況介紹 (續)

#### 2. 股票發行與上市情況

本公司於一九九三年由山東新華製藥廠改組設立，一九九六年十二月十七日於香港以每股售價1.82港元私人配售和公開發售H股144,500,000股，並於當年十二月三十一日於香港聯合交易所有限公司上市；一九九七年一月十七日行使超額配售權，發行H股5,500,000股並上市。

本公司於一九九七年七月二十四日在國內公開發行10,000,000股A股，每股發行價為人民幣3.45元，並於一九九七年八月六日在深圳證券交易所掛牌上市12,500,000股A股，其中包括2,500,000股內部職工股隨同上市。

本公司內部職工股發行日期為一九九三年三月二十五日，發行價格為每股人民幣1.50元，發行數量為33,153,330股，其中2,500,000股於一九九七年八月六日在深圳證券交易所上市流通，30,653,330股於二零零零年七月二十六日在深圳證券交易所上市流通。

### CHANGES IN SHARE CAPITAL AND SHAREHOLDERS (Continued)

#### 2. Share issues and listings

The Company was reorganized from Shandong Xinhua Pharmaceutical Factory in 1993. On 17 December 1996, the Company issued 144,500,000 H Shares in Hong Kong at an issue price of HK\$1.82 per share by way of private placing and public offering. The Company's H Shares were listed on The Stock Exchange of Hong Kong Limited on 31 December 1996. On 17 January 1997, 5,500,000 H Shares were issued and listed pursuant to the exercise of over-allotment option.

On 24 July 1997, the Company issued 10,000,000 A Shares in the PRC at an issue price of RMB3.45 per share. On 6 August 1997, 12,500,000 A Shares were listed on the Shenzhen Stock Exchange, of which 2,500,000 shares were internal staff shares.

On 25 March 1993, the Company issued 33,153,330 internal staff shares at an issue price of RMB1.50 per share, of which 2,500,000 shares were approved for listing on Shenzhen Stock Exchange on 6 August 1997 and 30,653,330 shares were listed on 26 July 2000.



董事會報告書 (續)  
Report of the Directors (Continued)

股本變動及股東情況介紹 (續)

3. 股東情況介紹

於二零零零年十二月三十一日，本公司股東總數為31,502位，包括H股股東183位，A股股東31,319位。

於二零零零年十二月三十一日持有本公司股份前十名股東情況如下：

序號	股東名稱	股份性質	持股數	總股本比重%
No.	Name of Shareholder	Class of shares	Number of shares held	% of the total share capital
1.	山東新華醫藥集團有限責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	未流通A股 Unlisted A Share	217,440,000	50.89
2.	香港中央結算(代理人)有限公司 HKSCC (Nominees) Limited	流通H股 Listed H Share	138,181,999	32.34
3.	山東魯信國際經濟股份有限公司 Shandong Luxin International Economic Co., Ltd.	未流通A股 Unlisted A Share	3,000,000	0.70
4.	Yeung Ting Kwong David	流通H股 Listed H Share	1,600,000	0.37
5.	中國醫藥工業公司 China Medical Industrial Company	未流通A股 Unlisted A Share	1,540,000	0.36
6.	青島市醫藥物資公司 Qingdao Medical Supply Company	未流通A股 Unlisted A Share	1,100,000	0.26
7.	中國醫藥對外貿易總公司 China Medical Foreign Trading Corporation	未流通A股 Unlisted A Share	1,000,000	0.23
8.	山東北方製藥廠 Shandong Northern Pharmaceutical Factory	未流通A股 Unlisted A Share	1,000,000	0.23
9.	香港上海滙豐銀行(代理人)有限公司A/C BR-79 Hong Kong & Shanghai Banking Corporation (Nominees) Limited A/C BR-79	流通H股 Listed H Share	902,000	0.21
10.	香港上海滙豐銀行(代理人)有限公司A/C BR-80 Hong Kong & Shanghai Banking Corporation (Nominees) Limited A/C BR-80	流通H股 Listed H Share	902,000	0.21

CHANGES IN SHARE CAPITAL AND SHAREHOLDERS  
(Continued)

3. Substantial shareholders

As at 31 December 2000, the Company had on record a total of 31,502 shareholders, including 183 holders of H Shares and 31,319 holders of A Shares.

As at 31 December 2000, the ten largest shareholders of the Company were as follows:



## 董事會報告書 (續) Report of the Directors (Continued)

### 股本變動及股東情況介紹 (續)

附註：

1. 持有本公司股份5%以上的境內股東於二零零零年度內股份無增減變動，其所持股份無質押和凍結情況；
2. 本年度內控股股東無變更情況；
3. 上述十大股東之間不存在關聯關係。

### 儲備

本集團及本公司本年度內儲備的變動情況分別載於按香港普遍採納之會計原則編製賬目附註19及按中國會計準則編製賬目附註17及18。

### 固定資產

本集團及本公司固定資產變動情況載於按香港普遍採納之會計原則編製賬目附註10及按中國會計準則編製賬目附註10。

### 銀行貸款及其他借款

本集團及本公司於二零零零年十二月三十一日的銀行貸款及其他借款情況之詳情載於按香港普遍採納之會計原則編製賬目附註20及按中國會計準則編製賬目附註13。

### 資本化利息

本年度內本集團及本公司有關在建工程所借貸款之資本化利息為人民幣328千元。

### CHANGES IN SHARE CAPITAL AND SHAREHOLDERS (Continued)

Notes:

1. the number of A Shares held by domestic shareholders holding more than 5% of the total number of shares remained unchanged and there was no mortgage over or freezing of these shares during the year 2000;
2. there was no change in the controlling shareholder during the year;
3. there is no association among the ten largest shareholders.

### RESERVES

Movements in reserves of the Group and the Company during the year 2000 are set out in note 19 to the Accounts prepared in accordance with HKGAAP, and note 17 and 18 to the Accounts prepared in accordance with PRC accounting standards, respectively.

### FIXED ASSETS

Details of the movement in the fixed assets of the Group and the Company during the year 2000 are set out in note 10 to the Accounts prepared in accordance with HKGAAP, and note 10 to the Accounts prepared in accordance with PRC accounting standards.

### BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group and the Company as at 31 December 2000 are set out in note 20 to the Accounts prepared in accordance with HKGAAP, and note 13 to the Accounts prepared in accordance with PRC accounting standards.

### INTEREST CAPITALISED

During the year, interest capitalised in respect of loans borrowed by the Group and the Company for financing construction-in-progress amounted to RMB328,000.



## 董事會報告書 (續) Report of the Directors (Continued)

### 職工宿舍

本集團職工宿舍屬山東新華醫藥集團有限責任公司所有。本集團於截至二零零零年十二月三十一日止年度內並無出售職工宿舍予本集團員工。但自一九九八年一月一日起，本集團已根據中國政府有關規定，按員工工資的5%繳納由山東省淄博市財政局管理的住房公積金，截至二零零零年十二月三十一日止年度本集團共繳納職工住房公積金人民幣2,363千元。

### 稅收優惠問題

根據國務院頒佈的《關於糾正地方自定稅收先徵後返政策的通知》國發[2000]2號文件及財政部、國家稅務總局頒佈的《關於進一步認真貫徹落實國務院關於糾正地方自行制定稅收先徵後返政策的通知》財稅[2000]99號文件，本公司，作為一家在香港聯合交易所有限公司上市之公司，將繼續享受有關的退稅優惠至二零零一年十二月三十一日。

本公司將會根據有關政策，爭取政府有關部門於二零零一年十二月三十一日後繼續給予本公司稅務優惠。但本公司現時無法保證上述工作會獲得批准。

### 委托存款問題

截至二零零零年十二月三十一日止年度，本集團沒有於非銀行金融機構的存款及屬於委托性質的存款，也不存在到期不能收回的定期存款。

### STAFF QUARTERS

All staff quarters of the Group are owned by Shandong Xinhua Pharmaceutical Group Company Limited. The Group did not sell any staff quarters to its employees during the year ended 31 December 2000, but was required to contribute 5% of the basic wages of the Group's staff to the accommodation scheme managed by the Shandong Province Zibo Municipal Finance Bureau, in accordance with the relevant regulations implemented by the PRC government authorities since 1 January 1998. For the year ended 31 December 2000, contributions made by the Group in this respect amounted to RMB2,363,000.

### PREFERENTIAL TAX TREATMENT

According to the State Council's notice numbered Guofa [2000] 2 in respect of the rectification of "Levy First Refund Later" local taxation policy and Caishui [2000] 99 notice from the Finance Bureau and the National Tax Bureau on the implementation of the rectification of "Levy First Refund Later" local taxation policy, the Company, as a company listed on The Stock Exchange of Hong Kong Limited, will continue to enjoy the preferential income tax refund treatment up to 31 December 2001.

The Company will endeavour to submit an application to the relevant PRC government authorities for the continuance of such preferential tax treatment subsequent to 31 December 2001. However, there can be no assurance that such an application will be approved.

### DESIGNATED DEPOSITS

For the year ended 31 December 2000, the Group had neither placed any deposits with any non-banking financial institutions, nor had it placed any designated deposits. The Group had no overdue time-deposits.



## 董事會報告書 (續) Report of the Directors (Continued)

### 中國加入世界貿易組織（「加入世貿」）對集團的影響

由於本集團在化學合成技術，管理、產品及研製開發等方面具有一定的競爭優勢，中國加入世貿後，短期內對本集團影響較小。長遠看，加入世貿將會帶來更為激烈的競爭，具體表現為資金、技術、產品、銷售網絡和人才等方面的競爭，本集團已經並將繼續研究、制定可行的策略和措施，盡可能降低加入世貿對本集團所帶來的沖擊，加快企業發展。

### 最佳應用守則

本公司董事確認本公司於截至二零零零年十二月三十一日止年度已遵守最佳應用守則。最佳應用守則包括香港聯合交易所有限公司公佈的證券上市規則（「上市規則」）附錄十四所載的條款。

### 審核委員會

根據上市規則，本公司董事會轄下審核委員會於一九九九年七月一日成立，其成員包括三名非執行董事，即齊謀甲、周怡菁及蕭瑜。

本公司董事會參照香港會計師公會印製的《成立審核委員會指引》，制定了《審核委員會職責範圍》，其中包括審核委員會的職權和責任。

### EFFECTS OF THE PRC'S ENTRY INTO THE WORLD TRADE ORGANISATION ("WTO")

It is expected that the Group will be affected only slightly in the short term following the PRC's entry into WTO owing to its competitive advantages in respect of technologies in chemical synthetics, management, production and research and development. In the longer term, the Group will be confronted with more intense competition in terms of capital, technology, staff, products and sales network by the PRC's entry into WTO. The Group has been, and is considering, strategies to minimise any adverse effects arising from the PRC's entry into WTO and to ensure the continued development of the Group's business.

### COMPLIANCE WITH THE CODE OF BEST PRACTICE

For the year ended 31 December 2000, in the opinion of the Directors, the Company was in compliance with the Code of Best Practice set out in Appendix 14 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "Listing Rules").

### AUDIT COMMITTEE

Pursuant to the Listing Rules, an audit committee, comprising three non-executive directors, namely Mr. Qi Moujia, Ms. Julia Frances Charlton and Mr. Xiao Yu, was established on 1 July 1999.

By reference to "A Guide for the Formation of An Audit Committee" published by the Hong Kong Society of Accountants, written terms of reference which describe the authority and duties of the audit committee were prepared and adopted by the Board.



## 董事會報告書 (續) Report of the Directors (Continued)

### 重要事項

1. 就一九九九年年度報告披露的有關本公司被列為阿司匹林傾銷供應商一案，本公司於二零零零年六月二十二日收到美國商務部最終裁決，對本公司出口到美國的阿司匹林將征收16.51%反傾銷稅，二零零零年九月六日本公司通過律師向美國國際貿易法庭提請上訴，要求對美國商務部仲裁結果重新裁定。本公司出口到美國的阿司匹林僅佔本公司總銷售額約0.6%，本公司認為不論該事件如何發展，對公司阿司匹林在美國市場開發不構成重大影響。除此之外，本期內本集團無涉及或有任何未完結或面臨的重大訴訟、仲裁事項。
2. 截至二零零零年十二月三十一日止年度內，本公司、本公司董事及高級管理人員均無受到監管部門處罰的情況。
3. 本公司相對控股股東人員獨立、資產完整、財務獨立。
  - (1) 在人員方面，本公司在勞動、人事及工資管理等方面獨立；經理、副經理等高級管理人員均在上市公司領取薪酬，在控股股東單位不擔任重要職務。

### IMPORTANT ISSUES

1. As to the claim to which the Company was included as one of the leading producers of Acetylsalicylic Acid (Aspirin) in the PRC, the Company received the final decision from the Department of Commerce ("DOC") of the United States of America ("USA") on 22 June 2000, which stated that the Company's export of Acetylsalicylic Acid to the USA will be subject to anti-dumping duties at the rate of 16.51%. The counsel of the Company in the USA has lodged an appeal to the International Trade Court of USA for a re-ruling of the decision of DOC on 6 September 2000. As the amount of Acetylsalicylic Acid exported to the USA by the Company accounted for approximately 0.6% of the total sales of the Company, the ruling on the anti-dumping claim is not likely to have a significant impact on the marketing of Acetylsalicylic Acid produced by the Company in the USA. Other than the above-mentioned pending claim, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.
2. The Company, the Directors and Senior Officers of the Company were not penalized by the supervisory authorities during the year ended 31 December 2000.
3. The Company's management and financial team is independent of its controlling shareholder, and its assets are completely controlled by the Company:
  - (1) The Company is independent of its controlling shareholder in the respect of the management of labour, staff and salaries. The senior officers of the Company including the general manager and the vice general managers are remunerated by the Company and have no important position in the controlling shareholder.





## 董事會報告書 (續) Report of the Directors (Continued)

### 重要事項 (續)

- (2) 在資產方面，本公司擁有獨立的生產系統、輔助生產系統和配套設施；除七項專利技術、「新華牌」商標由控股股東擁有外，其他工業產權、非專利技術等無形資產由本公司擁有；本公司獨立擁有採購和銷售系統。
- (3) 在財務方面，本公司設立獨立的財會部門，並建立了獨立的會計核算體系和財務管理制度，並獨立在銀行開戶。
4. 公司或持股5%以上股東沒有在中國證監會指定報紙和網站上披露承諾事項。

### 主要客戶及供應商

本集團五大原料供應商的採購金額及五大客戶的銷售額分別佔本集團於截至二零零零年十二月三十一日止年度總採購額及總銷售額之百分比不足30%。

### 購買、出售及贖回本公司之上市股份

截至二零零零年十二月三十一日止年度內本公司及其附屬公司概無購買、出售及贖回任何本公司上市證券。

### 優先認股權

本公司的公司章程及中國法律並無優先認股權條款。

### IMPORTANT ISSUES (Continued)

- (2) The Company has its own independent production and supplementary production system and vital auxiliary equipment. Except for seven patent technologies and the "Xinhua" label that are owned by the controlling shareholder, the Company owns all other intangible assets such as industrial property rights and non-patent technologies. The Company also has independent procurement and sales networks.
- (3) The Company has an independent financial department with independent accounting system and financial management system. The Company also maintains independent accounts in banks.
4. The Company and its shareholders holding more than 5% of shares of the Company did not make any undertakings in the newspapers and websites designated by the China Securities and Regulatory Commission for disclosure of information.

### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentages of purchases and sales attributable to the Group's five largest suppliers and five largest customers, respectively, were less than 30% of the Group's total purchases and total sales values for the year ended 31 December 2000, respectively.

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

During the year ended 31 December 2000, the Company and its subsidiary did not purchase, sell, or redeem any of its listed shares.

### PRE-EMPTIVE RIGHTS

According to the Company's Articles of Association and the laws of the PRC, there is no provision for pre-emptive rights.



## 董事會報告書 (續) Report of the Directors (Continued)

### 員工退休金計劃

本集團參加國家管理的社會養老及退休保險基金，並按照當地政府的規定繳納保險費。本集團目前向社會養老及退休保險基金繳納的保險費為所有員工每年工資及獎金總額的25%。當地政府承諾支付所有現在和將來退休員工的退休福利支出。所有向社會養老及退休保險基金繳納的保險費將於損益表內作為開支。於截至二零零零年十二月三十一日止年度內，本集團繳納的社會養老及退休保險費為人民幣16,909千元。

### 關連交易

在本年度內，本集團有以下的關連交易：

#### 與山東新華醫藥集團有限責任公司， 控股公司

- 購買交通銀行及中國太平洋保險公司股份
- 購買兩所位於中國淄博市及青島市之房產

#### 與山東新華醫藥集團有限責任公司

##### 其他附屬公司

- 銷售製成品及原材料
- 採購原材料
- 租金收入
- 支付勞務及其他服務

本公司董事確認上述的交易乃按照日常業務過程中一般商業條款進行。本公司獨立非執行董事已經審閱上述關連交易，並確認該等交易乃本集團在日常業務中按一般商業條款及約束該等交易的協議條款訂立。

### RETIREMENT SCHEME ARRANGEMENTS

The Group participates in State Social Retirement Scheme (the "Scheme") and pays the insurance fees according to the specific regulation issued by the local municipal government whereby it is required to make an annual contribution of 25% of the total salaries and bonuses paid to staff. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retirees of the Group. Contributions to the Scheme are charged to the profit and loss account as and when incurred. For the year ended 31 December 2000, the total contribution of the Group to the Scheme was RMB16,909,000.

### CONNECTED TRANSACTIONS

During the year 2000, the Group entered into the following connected transactions.

	二零零零年 2000 人民幣千元 RMB'000	一九九九年 1999 人民幣千元 RMB'000
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#### With SXPGC, the holding company

– Purchase of equity interests in The Bank of Communications and China Pacific Insurance Company Limited	—	20,577
– Purchase of two properties in Zibo and Qingdao, the PRC	—	1,027

#### With SXPGC's subsidiaries

– sale of finished goods and raw materials	13,942	10,669
– purchases of raw material	54,281	60,434
– rental income	465	465
– payment of labour and other services	12,156	12,156

In the opinion of the Directors, the above transactions were carried out on normal commercial terms and in the ordinary course of business. The Independent Non-executive Directors have reviewed the above connected transactions and are of the opinion that the transactions are in the ordinary course of business of the Group and the agreement governing the transactions was entered into under normal commercial terms.



## 董事會報告書 (續) Report of the Directors (Continued)

### 核數師

本公司及本集團於本年度按照香港普遍採納之會計原則和中國會計準則編製的賬目已分別由羅兵咸永道會計師事務所（香港執業會計師）和信永中和會計師事務所（中國註冊會計師）審核。

本公司擬於二零零一年六月二十二日召開的本公司二零零零年度週年股東大會建議續聘羅兵咸永道會計師事務所和信永中和會計事務所分別為本公司二零零一年度國際和中國核數師。

承董事會命  
董事長  
賀端湜

中國·山東·淄博  
二零零一年三月九日

### AUDITORS

The accounts of the Company and the Group for the year 2000 prepared in accordance with HKGAAP and the PRC accounting standards have been audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, and Shine Wing, Certified Public Accountants, PRC, respectively.

The Company intends to re-appoint PricewaterhouseCoopers and Shine Wing as international auditors and PRC auditors of the Company for the year 2001, respectively, at the Annual General Meeting for the year 2000 to be held on 22 June 2001.

By order of the Board  
**He Duanshi**  
Chairman

Zibo, Shandong, the PRC  
9 March 2001