

綜合損益表

CONSOLIDATED INCOME STATEMENT

(根據香港普遍採納之會計原則編制)
 (PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
 截至二零零六年十二月三十一日止年度
 FOR THE YEAR ENDED 31 DECEMBER 2006

			二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
		附註 NOTES		
營業額	Turnover	6	1,685,367	1,712,102
銷售成本	Cost of sales		<u>(1,381,010)</u>	<u>(1,400,869)</u>
毛利	Gross profit		304,357	311,233
其他業務收入	Other operating income	6	23,478	30,752
銷售費用	Selling expenses		(132,838)	(169,639)
管理費用	Administrative expenses		(142,382)	(115,962)
其他業務費用	Other operating expenses		(1,708)	(18,292)
應佔聯營公司業績	Share of results of associates		(699)	(2,732)
財務費用	Finance costs	7	<u>(20,475)</u>	<u>(22,166)</u>
除稅前溢利	Profit before taxation		29,733	13,194
所得稅開支	Income tax expense	8	<u>(7,784)</u>	<u>(13,696)</u>
本年度溢利(虧損)	Profit (loss) for the year	9	<u>21,949</u>	<u>(502)</u>
其中：	Attributable to :			
本公司股東應佔溢利	Equity holders of the Company		22,761	1,229
少數股東權益	Minority interests		<u>(812)</u>	<u>(1,731)</u>
			<u>21,949</u>	<u>(502)</u>
股息	Dividends	10		
— 中期股息	— Interim		—	—
— 擬派末期股息	— Proposed final		9,146	22,866
			<u>9,146</u>	<u>22,866</u>
每股基本溢利	Earnings per share — basic	11	<u>人民幣元RMB0.050</u>	<u>人民幣元RMB0.003</u>

綜合資產負債表

CONSOLIDATED BALANCE SHEET

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

於二零零六年十二月三十一日

AS AT 31 DECEMBER 2006

			二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
	附註 NOTES			
非流動資產	Non-current assets			
技術	Technical know-how	15	3,052	4,182
物業、廠房及設備	Property, plant and equipment	16	779,316	812,832
在建工程	Construction-in-progress	17	85,922	90,168
土地使用權之 預付租賃款項	Prepaid lease payments on land use rights	18	86,404	88,985
聯營公司權益	Interests in associates	19	42,580	30,279
聯營公司貸款 — 一年以後收回	Loan to an associate — due after one year	20	—	4,440
可供出售之投資	Available-for-sale investments	21	23,777	140,777
			<u>1,021,051</u>	<u>1,171,663</u>
流動資產	Current assets			
存貨	Inventories	22	224,356	274,765
應收賬款及票據	Trade and bills receivables	23	233,499	281,721
土地使用權之 預付租賃款項	Prepaid lease payments on land use rights	18	2,419	2,471
其他應收款項、 按金及預付款項	Other receivables, deposits and prepayment	24	49,647	65,110
應收直接控股公司款項	Amount due from immediate holding company	25	46,874	49,288
應收聯營公司款項	Amounts due from associates	26	19,861	3,035
可供出售之投資	Available-for-sale investments	21	117,000	—
銀行承兌匯票	Pledged bank deposits	27	29,401	65,149
保證金存款				
衍生金融工具	Derivative financial instruments	28	134	84
銀行存款及現金結餘	Bank balances and cash	29	133,134	298,042
			<u>856,325</u>	<u>1,039,665</u>
列作待出售之資產	Assets classified as held for sale	30	4,199	—
			<u>860,524</u>	<u>1,039,665</u>

綜合資產負債表 (續)

CONSOLIDATED BALANCE SHEET (continued)

(根據香港普遍採納之會計原則編制)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
於二零零六年十二月三十一日
AS AT 31 DECEMBER 2006

			二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
	附註 NOTES			
流動負債	Current liabilities			
應付賬款及票據	Trade and bills payables	31	213,080	345,620
其他應付款及應計費用	Other payables and accrued charges	24	53,267	68,534
應付聯營公司款項	Amount due to an associate	32	—	145
應交稅金	Tax payable		3,320	3,877
無抵押短期銀行貸款	Unsecured short-term bank loans	33	235,234	418,969
			<u>504,901</u>	<u>837,145</u>
流動資產淨額	Net current assets		<u>355,623</u>	<u>202,520</u>
總資產減流動負債	Total assets less current liabilities		<u>1,376,674</u>	<u>1,374,183</u>
資本及儲備	Capital and reserves			
股本	Share capital	34	457,313	457,313
儲備	Reserves		902,685	888,866
擬派末期股息	Proposed final dividend		9,146	22,866
本公司股東應佔權益	Equity attributable to equity holders of the Company		<u>1,369,144</u>	<u>1,369,045</u>
少數股東權益	Minority interests		<u>3,343</u>	<u>1,092</u>
總權益	Total equity		<u>1,372,487</u>	<u>1,370,137</u>
非流動負債	Non-current liability			
遞延負債	Deferred tax liabilities	35	4,187	4,046
			<u>1,376,674</u>	<u>1,374,183</u>

本綜合財務報表由第75頁至第149頁於二零零七年三月二十三日經董事會核准及授權公佈，並由下列董事代表簽署：

The consolidated financial statements on pages 75 to 149 were approved and authorised for issue by the Board of Directors on 23rd March 2007 and are signed on its behalf by :

郭琴
董事

趙松國
董事

Guo Qin
Director

Zhao Songguo
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

公司股權佔有人應佔 Attributable to equity holders of the Company

	股本	股份溢價賬	資本公積金	儲備基金	物業估值儲備	匯兌儲備	保留溢利	股息儲備	總計	少數股東權益	總計
	Share capital	Share premium	Capital reserve	Reserve funds	Asset revaluation reserve	Exchange reserve	Retained earnings	Dividend reserve	Total	Minority interests	Total
	RMB'000	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	人民幣千元
		(Note b) (註b)	(Note b) (註b)	(Note c) (註c)							
於二零零五年一月一日	457,313	466,618	78,642	159,425	25,850	2,068	179,406	—	1,369,322	4,284	1,373,606
換算海外業務產生之匯兌差額											
Exchange difference arising on translation of overseas operation	—	—	—	—	—	(1,624)	—	—	(1,624)	144	(1,480)
應佔聯營公司權益變動											
Share of changes in equity of associates	—	—	—	118	—	—	—	—	118	—	118
本年度溢利											
Profit for the year	—	—	—	—	—	—	1,229	—	1,229	(1,731)	(502)
轉自保留溢利											
Transfer from retained earnings	—	—	—	783	—	—	(783)	—	—	—	—
本年度已確認之收支總額											
Total recognised income and expenses for the year	—	—	—	901	—	(1,624)	446	—	(277)	(1,587)	(1,864)
出售附屬公司											
Disposal of a subsidiary	—	—	—	—	—	—	—	—	—	(226)	(226)
收購附屬公司之額外權益											
Acquisition of additional interest in a subsidiary	—	—	—	—	—	—	—	—	—	(1,379)	(1,379)
二零零五年擬派末期股息											
Proposed 2005 final dividend	—	—	—	—	—	—	(22,866)	22,866	—	—	—
於二零零五年十二月三十一日	457,313	466,618	78,642	160,326	25,850	444	156,986	22,866	1,369,045	1,092	1,370,137

綜合權益變動表 (續)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

公司股權佔有人應佔 Attributable to equity holders of the Company

	股份 股本	股份 溢價賬	資本 公積金	儲備 基金	物業 估值儲備	匯兌儲備	保留溢利	股息儲備	總計	少數 股東權益	總計
	Share capital	Share premium	Capital reserve	Reserve funds	Asset revaluation reserve	Exchange reserve	Retained earnings	Dividend reserve	Total	Minority interests	Total
	RMB'000	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	人民幣千元
		(Note b) (註b)	(Note b) (註b)	(Note c) (註c)							
分派二零零五末期股息								(22,866)	(22,866)		(22,866)
2005 final dividend paid	—	—	—	—	—	—	—	(22,866)	(22,866)	—	(22,866)
換算海外業務產生之匯兌差額											
Exchange difference arising on translation of overseas operation	—	—	—	—	—	204	—	—	204	60	264
本年度溢利											
Profit for the year	—	—	—	—	—	—	22,761	—	22,761	(812)	21,949
轉自保留溢利											
Transfer from retained earnings	—	—	—	2,078	—	—	(2,078)	—	—	—	—
本年度已確認之收支總額											
Total recognised income and expenses for the year	—	—	—	2,078	—	204	20,683	(22,866)	99	(752)	(653)
附屬公司之少數股東投入資本											
Capital contribution by minority shareholder of a subsidiary	—	—	—	—	—	—	—	—	—	3,003	3,003
二零零六年擬派末期股息											
Proposed 2006 final dividend	—	—	—	—	—	—	(9,146)	9,146	—	—	—
於二零零六年十二月三十一日											
At 31st December 2006	457,313	466,618	78,642	162,404	25,850	648	168,523	9,146	1,369,144	3,343	1,372,487

綜合權益變動表附註

NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

附註:

Notes:

(a) 根據中國有關法規及本公司的公司章程(「公司章程」)，除稅後溢利應按以下之次序分派：

(a) Pursuant to the relevant regulations in The People's Republic of China (the "PRC") and the Company's Articles of Association (the "Articles"), profit after taxation shall be appropriated in the following order :

- (1) 彌補累積虧損；
- (2) 提取除稅後溢利10%往法定盈餘公積金。當法定盈餘公積金金額達註冊資本的50%，可以不再提取；
- (3) 於二零零六年一月一日之前，提取稅後溢利5%至10%往法定公益金。於此日期之後，不再提取公益金；
- (4) 提取由股東於股東大會通過之任意盈餘公積金；及
- (5) 派發股息予股東。

- (1) make up accumulated losses;
- (2) transfer 10% of the profit after taxation to the statutory surplus reserve. When the balance of the statutory surplus reserve reaches 50% of the registered capital, such transfers need not be made;
- (3) prior to 1st January 2006, transfer 5% to 10% of the profit after taxation to the statutory public welfare reserve, and since then it is not required to transfer any profit after taxation to the statutory public welfare reserve;
- (4) transfer to the discretionary surplus reserve an amount approved by the shareholders in general meetings; and
- (5) distribute dividends to shareholders.

提取往法定盈餘公積金及法定公益金之金額應按照中國會計準則編製之中國法定賬目之除稅後溢利計算。

The amount transferred to the statutory surplus reserve and statutory public welfare reserve shall be based on the profit after taxation in the statutory accounts prepared in accordance with the PRC accounting standards.

(b) 資本公積金及股份溢價賬

(b) Capital reserve and share premium account

資本公積金主要包括本公司由國營企業改組為股份有限公司時資產評估確認值與折股的股本差額。股份溢價賬為發行股票時所產生，並已扣除發行股票費用。根據中國有關法規，資本公積金及股份溢價賬只能用於增加股本。

Capital reserve comprises mainly surplus between the appraised value of assets and value of shares issued when the Company was converted from a state-owned enterprise to a joint stock limited company. Share premium account arose from issues of shares net of issuing expenses. According to the relevant regulations in the PRC, capital reserve and share premium account can only be used to increase share capital.

(c) 儲備基金

(c) Reserve funds

		法定盈餘 公積金	法定 公益金	任意盈餘 公積金	總計
		Statutory surplus reserve (註(i)) (note (i)) 人民幣千元 RMB'000	Statutory public welfare reserve (註(ii)) (note (ii)) 人民幣千元 RMB'000	Discretionary surplus reserve (註(iii)) (note (iii)) 人民幣千元 RMB'000	Total 人民幣千元 RMB'000
於二零零五年一月一日	At 1st January 2005	68,336	29,543	61,546	159,425
應佔聯營公司權益變動	Share of changes in equity of associates	79	39	—	118
轉自保留溢利	Transfer from retained earnings	522	261	—	783
於二零零五年十二月三十一日	At 31st December 2005	68,937	29,843	61,546	160,326
轉自保留溢利	Transfer from retained earnings	2,078	—	—	2,078
轉移(附註(iii))	Transfer (Note ii)	29,843	(29,843)	—	—
於二零零六年十二月三十一日	At 31st December 2006	100,858	—	61,546	162,404

綜合權益變動表附註 (續)

NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

附註：(續)

Notes: (continued)

(c) 儲備基金 (續)

(c) Reserve funds (continued)

(i) 法定盈餘公積金

本集團需提取中國法定賬目之除稅後溢利的10%往法定盈餘公積金。當法定盈餘公積金已達註冊資本的50%時，可以不再提取。該公積金可用於彌補虧損或增加股本。除了為彌補虧損外，在使用法定公積金後，餘額不應低於註冊資本的25%。

(i) Statutory surplus reserve

The Group is required in each year to transfer 10% of the profit after taxation as reported in the statutory accounts prepared in accordance with the PRC accounting standards to the statutory surplus reserve until the balance reaches 50% of the registered share capital. This reserve can be used to make up any losses incurred or to increase share capital. Except for the reduction of losses incurred, any other usage should not result in this reserve balance falling below 25% of the registered capital.

(ii) 法定公益金

於二零零六年一月一日之前，本集團需提取中國法定賬目之除稅後溢利的5%至10%往法定公益金。從二零零六年一月一日起，根據中華人民共和國《公司法》修訂後的第一章第一百六十七條，按照《公司法》組建的企業不再提取法定公益金。本集團對二零零六年十二月三十一日的法定公益金結餘，轉作法定盈餘公積金使用。

(ii) Statutory public welfare reserve

Prior to 1st January 2006, the Group is required in each year to transfer 5% to 10% of the profit after taxation as reported in the statutory accounts prepared in accordance with the PRC accounting standards to the statutory public welfare reserve. Starting from 1st January 2006, the Group is not required to transfer any profit after taxation to statutory public welfare reserve in accordance with the amendment on section 167, Chapter one in the PRC Companies Ordinance. Therefore, the Group transferred all the balances of the statutory public welfare reserve as at 1st January 2006 to the statutory surplus reserve during the year.

(iii) 任意盈餘公積金

任意盈餘公積金從保留溢利中提取或從法定公益金中轉入，可用作彌補虧損及增加股本，但提取與使用時須經股東大會決議通過。任何轉撥至公積金亦須經股東大會決議通過。

(iii) Discretionary surplus reserve

The discretionary surplus reserve can be set up by means of appropriation from the retained earnings or transfer from statutory public welfare reserve. Subject to approval by shareholders in general meetings, the reserve can be used to reduce any losses incurred and to increase share capital. Any transfers to the reserve also require the approval of shareholders in general meetings.

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
經營業務	OPERATING ACTIVITIES		
除稅前溢利	Profit before taxation	29,733	13,194
調整：	Adjustments for:		
土地使用權之預付 貸款項攤銷	Amortisation of prepaid lease payment on land use rights	2,425	2,471
呆壞賬備抵	Allowance for bad and doubtful debts	14,689	7,598
技術攤銷	Amortisation of technical know-how	1,130	808
銀行利息收入	Bank interest income	(4,411)	(4,924)
折舊	Depreciation	99,661	94,816
可供出售之投資 之股息收入	Dividend income from an available-for-sale investment	(141)	—
財務費用	Finance costs	20,475	22,166
出售土地使用權收益	Gain on disposal of land use rights	—	(12,912)
出售物業、廠房及 設備收益	Gain on disposal of property, plant and equipment	(2,289)	(1,730)
可供出售投資之 減值虧損	Impairment loss on an available-for-sale investment	—	18,000
衍生金融工具 公平值增加	Increase in fair value of derivative financial instruments	(50)	(84)
可供出售之投資 利息收入	Interest income from an available-for-sale investment	(6,588)	(6,753)
聯營公司貸款利息收入	Interest income from loan to an associate	(270)	(80)
出售附屬公司虧損	Loss on disposal of a subsidiary	—	225
出售買賣投資之 實現收益	Realised gain on sale of trading investments	—	(91)
應佔聯營公司業績	Share of results of associates	699	2,732
存貨撇減	Write-down of inventories	4,630	—

綜合現金流量表 (續)

CONSOLIDATED CASH FLOW STATEMENT (continued)

(根據香港普遍採納之會計原則編制)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
截至二零零六年十二月三十一日止年度
FOR THE YEAR ENDED 31ST DECEMBER 2006

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
營運資金變動前之 經營現金流量	Operating cash flow before movements in working capital	159,693	135,436
存貨減少	Decrease in inventories	45,779	25,055
應收賬款及票據、 其他應收款項、 按金及預付款項及 可退回出口 增值稅款減少	Decrease in trade and bills receivables, other receivables, deposits and prepayment and export value added tax receivable	50,808	35,887
應收直接控股公司 款項減少(增加)	Decrease (increase) in amount due from immediate holding company	2,414	(7,821)
應收聯營公司款項增加	Increase in amounts due from associates	(12,386)	(554)
應付賬款及票據、 其他應付款及 應計費用(減少)增加	(Decrease) increase in trade and bills payables, other payables and accrued charges	(153,633)	28,834
應付聯營公司款項 (減少)增加	(Decrease) increase in amount due to an associate	(145)	145
經營產生之現金 已付中國所得稅	Cash generated from operations PRC income tax paid	92,530 (8,200)	216,982 (5,388)
經營業務所產生之 現金淨額	NET CASH FROM OPERATING ACTIVITIES	84,330	211,594

綜合現金流量表 (續)

CONSOLIDATED CASH FLOW STATEMENT (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
	附註 Note		
投資業務	INVESTING ACTIVITIES		
支付在建工程款項	Payment for construction-in-progress	(41,156)	(79,400)
購入物業、廠房及設備	Purchase of property, plant and equipment	(31,069)	(30,351)
投資聯營公司	Investments in associates	(13,000)	(10,000)
銀行承兌匯票保證金 存款減少(增加)	Decrease (increase) in pledged bank deposits	35,748	(7,690)
出售物業、廠房及 設備所得款項	Proceeds from disposal of property, plant and equipment	8,624	3,145
已收取可供出售投資 之利息收入	Interest income from an available-for-sale investment	5,040	6,753
已收取銀行利息	Bank interest received	4,411	4,924
已收取聯營公司 貸款利息收入	Interest income received from loan to an associate	270	80
已收取可供出售 投資之股息收入	Dividend income from an available-for-sale investment	141	—
聯營公司貸款	Loan advance to an associate	—	(4,440)
購入技術	Purchase of technical know-how	—	(1,550)
土地使用權之預付 租賃款項增加	Increase in prepaid lease payments on land use rights	—	(1,123)
出售買賣投資 所得款項	Proceeds on disposal of trading investments	—	58,642
收回可供出售之 投資款項	Repayment from available-for-sale investment	—	13,000
出售土地使用權 所得款項	Proceeds from disposal of land use rights	—	9,254
出售在建工程 所得款項	Proceeds from disposal of construction-in-progress	—	4,147
出售附屬公司	Disposal of a subsidiary	—	65
		—————	—————
投資業務所耗 之現金淨額	NET CASH USED IN INVESTING ACTIVITIES	(30,991)	(34,544)

綜合現金流量表 (續)

CONSOLIDATED CASH FLOW STATEMENT (continued)

(根據香港普遍採納之會計原則編制)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
截至二零零六年十二月三十一日止年度
FOR THE YEAR ENDED 31ST DECEMBER 2006

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
融資業務	FINANCING ACTIVITIES		
償還銀行貸款	Repayment of bank loans	(506,746)	(625,305)
已付利息	Interest paid	(20,475)	(22,166)
已付股息	Dividends paid	(17,040)	—
新增銀行貸款	New bank loan raised	323,011	487,989
少數股東投資	Investments from a minority shareholder	3,003	—
		<hr/>	<hr/>
融資業務所耗現金淨額	NET CASH USED IN FINANCING ACTIVITIES	(218,247)	(159,482)
		<hr/>	<hr/>
現金及現金等價物(減少)增加淨額	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(164,908)	17,568
		<hr/>	<hr/>
年初之現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	298,042	280,474
		<hr/>	<hr/>
年終之現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
指銀行存款及現金結餘	represented by bank balances and cash	133,134	298,042
		<hr/> <hr/>	<hr/> <hr/>

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

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1. 一般資料

本公司為於中華人民共和國(「中國」)註冊之股份有限公司。本公司之股份於一九九六年十二月在香港聯合交易所有限公司(「聯交所」)上市，其A股則在一九九七年七月在深圳交易所上市。

根據二零零六年七月十九日山東省國有資產監督管理委員會魯國資企改函[2006] 35號通知，新華魯抗醫藥集團有限責任公司全資持有的山東新華醫藥集團有限責任公司(「新華醫藥」)的全部國有股份無償劃轉至華魯控股有限公司(「華魯控股」)(「重組」)。

重組後，本公司董事認為華魯控股及新華醫藥分別為本公司之最終控股公司及直接控股公司，兩家公司同為中國註冊成立的國營有限責任公司。

本公司註冊辦事處及主要營業地點之地址披露於「公司資料」一節。

本綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司之功能性貨幣。

本公司及其附屬公司(「本集團」)主要從事開發、製造及銷售化學原料藥、製劑、化工及其他產品。

1. General

The Company is a joint stock limited company established in the People's Republic of China (the "PRC") with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in December 1996 and listed its A shares at Shenzhen Stock Exchange in July 1997.

According to Luguoziqi Gaihan [2006] No.35 dated 19th July 2006 issued by the State-owned Assets Supervision and Administration Commission of The People's Government of Shandong Province (the "Commission") (山東省人民政府國有資產監督管理委員會魯國資企改函 [2006] 35號文件), the state-owned shares of Shandong Xinhua Pharmaceutical Group Company Limited ("SXPGC") held by Xinhua Lukang Pharmaceutical Group Corporation transferred to Hualu Holdings Company Limited ("Hualu Holdings") (the "Restructuring") without consideration.

After the Restructuring, the directors of the Company regard Hualu Holdings, a state-owned limited liability company established in the PRC, as being the ultimate holding company and SXPGC, a wholly state-owned limited liability company established in the PRC, as being the immediate holding company.

The addresses of the registered office and principal place of business of the Company are disclosed in the company information section to the annual report.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

The Company and its subsidiaries (the "Group") are principally engaged in the development, production and sales of bulk pharmaceuticals, preparations, chemical products and other products.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

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2. 採用新訂及經修訂的香港財務報告準則(「香港財務報告準則」)

於本年度，本集團首次採用多項由香港會計師公會(「香港會計師公會」)新頒佈之新準則、修訂及詮釋(在下文統稱為「新香港財務報告準則」)，該等準則適用於二零零五年十二月一日或二零零六年一月一日或以後開始之會計期間。採用新香港財務報告準則對本會計年度及以往會計年度之業績編製及呈列方式並無重大影響。因此毋須作出前期調整。

本集團於二零零六年十二月三十一日並無提早應用下列已頒佈但未生效之新準則。本公司董事預期，應用此等準則或詮釋將不會對本集團之綜合財務報表造成影響或任何重大影響。

香港會計準則(「香港會計準則」)第1號(修訂本)
Hong Kong Accounting Standard
("HKAS") 1 (Amendment)

香港財務報告準則第7號

HKFRS 7

香港財務報告準則第8號

HKFRS 8

香港(國際財務報告解釋委員會) — 詮釋第7號

HK(IFRIC) — Int 7

香港(國際財務報告解釋委員會) — 詮釋第8號

HK(IFRIC) — Int 8

香港(國際財務報告解釋委員會) — 詮釋第9號

HK(IFRIC) — Int 9

香港(國際財務報告解釋委員會) — 詮釋第10號

HK(IFRIC) — Int 10

香港(國際財務報告解釋委員會) — 詮釋第11號

HK(IFRIC) — Int 11

香港(國際財務報告解釋委員會) — 詮釋第12號

HK(IFRIC) — Int 12

¹ 於二零零七年一月一日或之後的年度期間生效。

² 於二零零九年一月一日或之後的年度期間生效。

³ 於二零零六年三月一日或之後的年度期間生效。

⁴ 於二零零六年五月一日或之後的年度期間生效。

⁵ 於二零零六年六月一日或之後的年度期間生效。

⁶ 於二零零六年十一月一日或之後的年度期間生效。

⁷ 於二零零七年三月一日或之後的年度期間生效。

⁸ 於二零零八年一月一日或之後的年度期間生效。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are either effective for accounting periods beginning on or after 1st December 2005 or 1st January 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standard, amendment or interpretations that have been issued but are not yet effective as at 31st December 2006. The directors of the Company anticipate that the application of these standard, amendment or interpretations will have no material impact on the results and the financial position of the Group.

資本披露¹

Capital disclosures¹

財務工具：披露¹

Financial instruments: Disclosures¹

經營分部²

Operating segments²

根據香港會計準則第29號高通脹經濟下的財務報告而應用重估方法³

Applying the restatement approach under HKAS 29

Financial Reporting in Hyperinflationary Economies³

香港財務報告準則第2號的範疇⁴

Scope of HKFRS 2⁴

重估嵌入式衍生工具⁵

Reassessment of embedded derivatives⁵

中期財務報告及減值⁶

Interim Financial Reporting and Impairment⁶

香港財務報告準則第2號—集團及庫存股份交易⁷

HKFRS 2 — Group and Treasury Share Transactions⁷

服務經營權安排⁸

Service Concession Arrangements⁸

¹ Effective for annual periods beginning on or after 1st January 2007.

² Effective for annual periods beginning on or after 1st January 2009.

³ Effective for annual periods beginning on or after 1st March 2006.

⁴ Effective for annual periods beginning on or after 1st May 2006.

⁵ Effective for annual periods beginning on or after 1st June 2006.

⁶ Effective for annual periods beginning on or after 1st November 2006.

⁷ Effective for annual periods beginning on or after 1st March 2007.

⁸ Effective for annual periods beginning on or after 1st January 2008.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

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3. 主要會計政策

誠如下列會計政策所述，綜合財務報表乃按歷史成本基準編製，惟若干物業、廠房及設備及金融工具按重估金額或公平值計算者除外。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露。

(a) 綜合基準

綜合財務報表包括本公司及所控制的公司(包括特殊目的機構)之財務報表(其附屬公司)。在本公司有權控制該實體之財務及營運政策以致其業務獲益時，本公司則為已取得其控制權。

於年內所收購或出售的附屬公司，其業績均自收購生效日期起或截至出售生效日期止(如適用)計入綜合損益表內。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及開支均於綜合賬目時對銷。

3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for property, plant and equipment and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

3. 主要會計政策 (續)

(a) 綜合基準 (續)

綜合附屬公司淨資產內之少數股東所佔權益與本集團所佔之權益分開列賬。少數股東於淨資產之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將與本集團的權益作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

(b) 於聯營公司之權益

聯營公司之業績及資產及負債乃以權益會計法計入綜合財務報表內。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團於收購後分佔該聯營公司之損益及權益變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益(其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份)，則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損被撥備，而負債僅以本集團已產生法定或推定責任或代表該聯營公司支付款項為限被確認。

3. Significant Accounting Policies (continued)

(a) Basis of consolidation (continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(b) Interests in associates

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

3. 主要會計政策 (續)

(b) 於聯營公司之權益 (續)

當聯營公司之可識別資產、負債及或然負債之公平淨值權益超出聯營公司投資成本之任何差額即時在損益表中確認。

倘與本集團之一間聯營公司進行一組交易，則損益以本集團於有關聯營公司中之權益為限撇銷。

(c) 無形資產

獨立收購之無形資產

獨立收購及擁有固定使用年期的無形資產乃以成本減累計攤銷及任何累計虧損列賬。擁有固定使用年期的無形資產攤銷及按直線基準於估計可使用年期撥備。另一方面無形資產擁有無限可使用年期按成本減之後累計減值虧損列賬(見下文關於減值虧損之會計政策)。

取消確認無形資產所產生的損益乃按出售所得款項淨額及該資產的賬面值差額計算，並於該資產取消確認時於損益表確認。

技術

購入技術之開支將予資本化，並以直線法按不超過20年之可使用年期攤銷。由於技術並無活躍市場，故其價值不會進行重估。

3. Significant Accounting Policies (continued)

(b) Interests in associates (continued)

Any excess of the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after assessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(c) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Technical know-how

Expenditure on technical know-how acquired is capitalised and amortised using straight-line method over their useful lives, but not exceeding 20 years. Technical know-how is not revaluated as there is no active market for these assets.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

3. 主要會計政策 (續)

(c) 無形資產 (續)

研究與開發支出

研究活動支出在其發生當期確認為費用。

倘預期其產生於明確界定項目之開發成本可透過將來商業活動以補償，開發開支產生之內部產生無形資產才可獲確認。該資產按其可使用年期以直線法攤銷，並按成本值減其後累計攤銷及任何累計減值虧損列賬。

於初始確認的內部產生之無形資產成本為自符合確認準則日起所產生的費用支出。當沒有確認內部產生之無形資產時，開發費用於產生年度內計入損益賬。

繼初始確認後，內部產生之無形資產與獨立收購之無形資產一樣按成本減期後累計攤銷及累計減值虧損後列賬。

3. Significant Accounting Policies (continued)

(c) Intangible assets (continued)

Research and development expenditures

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

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(c) 無形資產 (續)

減值

無限使用年期之無形資產及尚未可供使用之無形資產每年進行減值測試，方法為比較其可收回款額與賬面值，而不論是否出現可能減值之跡象。倘估計資產之可收回款額低於其賬面值，則資產賬面值須減低至其可收回款額。減值虧損會即時確認為支出。

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回款額，惟該增加之賬面值不得超逾過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。

有限使用年期之無形資產則於出現可能減值之跡象時進行減值測試(見下文有關有形及無形資產減值虧損之會計政策)。

(d) 物業、廠房及設備

用於生產或提供商品或勞動，或為了行政管理目的而擁有的土地及建築物，在綜合資產負債表上以其重估金額(即其在重估日的公平價值)減去隨後發生的累計折舊及累計減值損失後的餘額列示。資產價值重估會定期進行，以使其賬面金額與其在年結日使用公平價值確定的金額沒有重大差異。

3. Significant Accounting Policies (continued)

(c) Intangible assets (continued)

Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses for tangible and intangible assets below).

(d) Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

物業、廠房及設備重估產生之任何重估增加計入重估儲備內，除非重估減少超出重估儲備結餘之部份自綜合損益表中扣除。倘減少在之前已在綜合損益表中扣除，而其後出現重估增加，則該項增加會根據之前已扣除之減少撥入損益表內。日後資產之賬面值減少至超過於早前重估該項資產之重估儲備結餘(如有)時，差額則列作開支。其他出售或棄用重估資產時之相應重估增值乃轉入保留溢利內。

物業、廠房及設備之折舊按其估計可使用年期並計其估殘值以直線法按下列率撇銷其公平值。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入綜合損益表。

(e) 土地使用權

取得土地使用權而支付之款項視為經營租約付款，並於土地使用權之有效期內按成本減累計攤銷及累計減值虧損，以直線法在綜合損益表內扣除。

3. Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

Any revaluation increase arising on revaluation of property, plant and equipment is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained earnings.

Depreciation is provided to write off the fair value of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

(e) Land use rights

Payment for obtaining land use right is considered as operating lease payment. Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, amortisation is charged to consolidated income statement over the period of the right using the straight-line method.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(f) 在建工程

在建工程包括正在建設及有待安裝之土地使用權、物業、廠房及設備，並按成本減累計減值虧損(如有)列賬。成本包括取得土地使用權的成本、興建樓宇成本、廠房及設備的成本，以及在建設或安裝及測試期間用以為該等資產融資所借貸款的利息開支(如有)。完成時，建設工程乃轉撥至適當類別之物業、廠房及設備，並於該等資產可作擬定用途時按其他物業資產之相同基準計算折舊。

(g) 待出售之非流動資產

若有非流動資產賬面值可通過銷售交易而非通過持續使用收回，則該非流動資產須分類為待出售項目。僅於出售機會相當高及資產可於現況下即時出售時，本條件方被視為達成。

被分類為待出售之非流動資產須按過往的賬面值或公平價值扣減銷售成本，取其較低者列載。

3. Significant Accounting Policies (continued)

(f) Construction-in-progress

Construction-in-progress comprises land use rights and buildings, plant and machinery on which construction and installation work has not been completed. Construction-in-progress is carried at cost less any recognised impairment loss which includes costs of acquisition of land use rights, development, construction and installation expenditure incurred, interest and other direct costs attributable to the development less any provision for impairment. On completion, the construction-in-progress is transferred to appropriate categories of other property, plant and equipment and depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(h) 金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。財務資產及財務負債按公平值初步確認。收購或發行財務資產及資產負債直接應佔之交易成本(透過損益以公平值列賬之財務資產及財務負債除外)乃於初步確認時加入財務資產或財務負債之公平值或自財務資產或財務負債之公平值內扣除(如合適)。收購透過損益以公平值列賬之財務資產或財務負債直接應佔之交易成本即時於損益賬內確認。

財務資產

本集團之財務資產歸入下列兩個類別之其中一個，包括貸款及應收款項及可供銷售財務資產。所有定期購買或出售財務資產乃按交易日基準確認及取消確認。定期購買或出售乃購買或銷售財務資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納之與各類財務資產有關之會計政策乃載於下文。

3. Significant Accounting Policies (continued)

(h) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(h) 金融工具 (續)

貸款及應收款項

貸款及應收款項為並無於交投活躍市場報價而且具備固定或可釐定付款之非衍生金融工具。於初步確認後各交易日，貸款及應收款項(包括應收賬款及票據、按金及其他應收款項、應收直接控股公司款項、應收聯營公司款項、銀行承兌匯票保證金存款)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損乃當可實質證明資產減值時於損益中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

3. Significant Accounting Policies (continued)

(h) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and bills receivables, deposits and other receivables, amount due from immediate holding company, amounts due from associates and pledged bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(h) 金融工具 (續)

可供銷售財務資產

可供銷售財務資產為劃分或並非分類為按公平值計入溢利或虧損之財務資產、貸款應收款項或持至到期投資之非衍生項目。於初步確認後之每個年結日，可供銷售財務資產按公平值計算。公平值之變動於權益賬內確認，直至該財務資產被出售或決定被減值，屆時過往於權益賬內確認之累計收入或虧損會自權益賬內剔除，並於損益賬確認。可供銷售財務資產之任何減值虧損於損益賬確認。可供銷售股本權益投資之減值虧損將不會於以後期間於損益賬撥回。就可供銷售債項投資而言，倘該投資之公平值之增加可客觀地與確認減值虧損後之事件有關，則減值虧損將獲撥回。

就可供銷售之股本權益投資而言，倘並無活躍市場之市場報價，而其公平值未能可靠計算及與該等非上市股本權益工具有關並須以交付該等工具結算之衍生工具，則可供銷售之股本權益投資於首次確認後之每個年結日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於損益賬內確認。減值虧損數額按資產賬面值與按類似財務資產之現行市場回報率折現估計未來現金流量之現值間之差額計算。該項減值虧損不會於往後期間撥回。

3. Significant Accounting Policies (continued)

(h) Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured as cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

綜合財務報表附註 (續)

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3. 主要會計政策 (續)

(h) 金融工具 (續)

財務負債及股本

集團實體發行之財務負債及股本投資工具乃根據合同安排之性質與財務負債及股本投資工具之定義分類。

股本投資工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本集團之財務負債乃分類為其他財務負債。就其他財務負債及股本工具所採納之會計政策乃載於下文。

其他財務負債

其他財務負債包括應付賬款及票據、其他應付款、應付聯營公司款項及無抵押短期銀行貸款乃隨後採用實際利率法按已攤銷成本計量。

股本工具

本公司發行之股本工具乃按已收所得款項扣除直接發行成本記賬。

3. Significant Accounting Policies (continued)

(h) Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are classified as other financial liabilities. The accounting policies adopted in respect of other financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables, amount due to an associate and unsecured short-term bank loans are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(h) 金融工具 (續)

衍生金融工具

本集團採用遠期貨幣合約衍生金融工具對沖與外匯波動相關之風險。於訂立衍生合約當日，該等衍生金融工具初步按公平價值確認，其後按公平價值重新計量。倘有關公平價值為正數，則該等衍生工具按資產列賬，倘公平價值為負數，則按負債列賬。

產生自衍生工具公平價值變動而不符合作對沖會計之任何收益或虧損均直接計入年度之綜合損益表。

遠期貨幣合約之公平價值乃參考到期概況相近之合約之現行遠期匯率釐定。

取消確認

若從資產收取現金流之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收代價及已直接於股本權益確認之累計損益之總和之差額，將於損益中確認。

若有關合約之特定責任獲解除、取消或到期，則財務負債將被取消確認。取消確認之財務負債賬面值與已收或應收代價之差額乃於損益中確認。

3. Significant Accounting Policies (continued)

(h) Financial instruments (continued)

Derivatives financial instruments and hedging

The Group uses derivatives financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the consolidated income statement for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(i) 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按加權平均法釐定。

(j) 減值虧損 (無形資產除外 (詳見上文與無形資產有關之會計政策))

本集團於年結日評估其有形及無形資產之賬面值，以確定該等資產有否減值虧損之跡象。倘若一項資產之可收回值低於其賬面值，則該項資產之賬面值即被減至與可收回值。減值虧損應立即確認為支出，除非相關資產根據另一會計準則以重估值列賬，則其減值虧損可當作以該準則重估減值入賬。

於回撥減值虧損時，資產之賬面值可調高至重新釐定之可收回值，惟不可高於該資產於過往未減值虧損前之賬面值。撥回之減值虧損可即時被確認為收入。假若有關資產因按其他準則以重估值列賬，其回撥額可當作重估值增額入賬。

3. Significant Accounting Policies (continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

(j) Impairment losses (other than intangible assets (see the accounting policies in respect of intangible assets above))

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(k) 收入確認

收入包括本公司日常業務過程中就出售產品而已收或應收代價的公平價值。所示收入已扣除相關稅金及折讓。

貨品銷售之收益乃於交付貨品及業權轉移時予以確認。

財務資產產生之利息收入乃按時間基準，並參照尚未償還本金額及按所適用之實際利率孳生，而實際利率為透過財務資產之預期可用年期將估計日後現金收據實際折讓至該資產之賬面淨值之比率。

投資產生之股息收入乃當股東收取股息之權利確立時確認。

租金收入乃按有關租約年期以直線法確認。

(l) 租賃

當租約條款將所涉及擁有權之絕大部份風險及回報轉讓予承租人時，租約乃分類為融資租約。所有其他租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於綜合損益表確認。於協商及安排時引致之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認作一項支出。

3. Significant Accounting Policies (continued)

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

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

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income is recognised on a straight-line basis over the relevant lease terms.

(l) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(l) 租賃 (續)

本集團作為承租人

根據經營租約之應付租金乃按相關租約年期以直線法於損益賬扣除。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法按租約年期確認作租金支出減少。

(m) 外幣

於編製各個別集團實體之財務報表時，以該功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各年結日，以外幣為定值之貨幣項目均按年結日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目乃按於公平值釐定當日之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益賬中確認，唯組成本集團海外業務之投資淨額部份之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表中確為股本權益。以公平值定值之非貨幣項目經重新換算後產生之匯兌差額於該期間列作損益，惟換算直接於股本內確認盈虧之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦直接於股本權益內確認。

3. Significant Accounting Policies (continued)

(l) Leasing (continued)

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(m) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(m) 外幣 (續)

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於年結日之適用匯率換算為本公司之列賬貨幣(即人民幣)，而其他收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出動大幅波動則作別論，於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額(如有)乃確認作股本之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售之期間內於損益賬內確認。

(n) 政府津貼及補貼

政府津貼及補貼按與有關成本配對所需期間確認為收入。可折舊資產有關之津貼及補貼呈列為遞延收入，並按資產之可使用年期收益扣除。有關開支項目之津貼及補貼按該等開支自綜合損益表扣除之相同期間確認，並於相關開支中扣除列賬/獨立呈列為「其他業務收入」。

(o) 退休福利計劃供款

國家管理退休福利計劃之供款將於員工提供服務而獲得資格後列作費用。

3. Significant Accounting Policies (continued)

(m) Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Renminbi) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(n) Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and deducted in reporting the related expense/are reported separately as "other operating income".

(o) Retirement benefit costs

Payments to state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(p) 借貸成本

所有其他借貸成本均於其產生年度記入綜合損益表。

(q) 稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入及開支，並且不包括損益表內不能課稅及扣稅之項目。本集團之即期稅項負債乃按年結日已實行或大致上已實行之稅率計算。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之差額而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產則於可能出現應課稅溢利以抵銷可扣稅之臨時差額時提撥。若於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致既不影響應課稅溢利亦不影響會計溢利之臨時差額，則不會確認該等資產及負債。

3. Significant Accounting Policies (continued)

(p) Borrowing costs

All other borrowing costs are charged to the consolidated income statement in the year in which they are incurred.

(q) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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3. 主要會計政策 (續)

(q) 稅項 (續)

遞延稅項負債乃按因於附屬公司及聯營公司之投資而引致之應課稅臨時差額而確認，惟若本集團可令臨時差額對沖及臨時差額有可能未必於可見將來對沖之情況除外。

遞延稅項資產之賬面值於每個年結日作檢討，並在沒可能會於有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於負債償還或資產變現期間適用之稅率計算。遞延稅項於損益表中扣除或計入損益表，惟於遞延稅項直接在股本權益中扣除或計入股本權益之情況下，遞延稅項亦會於股本權益中處理。

3. Significant Accounting Policies (continued)

(q) Taxation (continued)

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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4. 關鍵會計判斷及估計不確定性之主要來源

於應用本集團之會計政策時，管理層根據過往經驗、對前景的預測及其他資料作出多項預計及判斷(涉及估計之判斷除外)。可對綜合財務報表確認的金額有重大影響的估計不明朗因素的主要來源及重大判斷披露如下：

物業、廠房及設備之折舊

物業、廠房及設備按其估計可使用年期經採用直線法估計。估計可使用年期乃反映管理層於該期間內之估計，本集團計劃將來從機器及設備於各年度對物業、廠房及設備可使用年期的估計與原本估計產生差異時，將對當年度及將來的折舊有影響。

技術之攤銷

技術以直線法按其估計可使用年期攤銷。估計其可使用年期涉及管理層的估計。本集團於各年度對技術的可使用年期進行估計，如與最初估計產生差異，將對年度及將來期間的攤銷造成影響。

呆壞賬備抵

本集團根據客戶現時信譽及過往收款歷史記錄對客戶進行持續信譽評估及調整其信貸限額。本集團亦持續監控客戶的回款狀況，按過往經驗及對個別客戶的可收回性作評估，估計信貸損失。信貸損失的控制一直在管理層所預計中，而本集團會繼續對客戶的回款作監控及保持合理估計的信貸損失撥備。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies, management makes various estimates and judgments (other than those involving estimates) based on past experience, expectations of the future and other information. The key sources of estimation uncertainty and the critical judgments that can significantly affect the amounts recognised in the financial information is disclosed below :

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The determination of the useful lives involve management's estimation. The Group assesses annually the useful life of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Amortisation of technical know-how

Technical know-how are amortised on a straight-line basis over their estimated useful lives. The determination of the useful lives involve management's estimation. The Group re-assesses the useful life of the technical know-how and if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its customers and adjust credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customer collection issues that it has been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

存貨撇減

本集團管理層於年結日審核賬齡分析並對確認為不再適合用於生產之過時及滯銷庫存品進行撥備。管理層估計此等製成品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。本集團於年結日對每種產品進行盤點，並對過時品種作出撥備。

5. 財務風險管理目標及政策

本集團之主要財務工具包括股本證券及債務證券，銀行貸款，應收貿易及應收票據賬款、其他應收款項、應付貿易及應付票據款項、其他應付款項。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

貨幣風險

本公司若干附屬公司有以外幣計值之銷售，令本集團承受外幣風險。為降低外幣風險，本集團根據其風險管理政策就預計極可能出售之外幣訂立外幣遠期合約。

本集團若干應收貿易款項及銀行借貸乃以外幣計值。本集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並會考慮於必要時對沖重大外幣風險。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

(continued)

Allowances for inventories

The management of the Group reviews an ageing analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowance for obsolete items.

5. Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity and debt investments, bank loans, trade and bills receivables, other receivables, trade and bills payables and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into in respect of highly probable foreign currency forecast sales in accordance with the Group's risk management policies.

Certain trade receivables and bank loans of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

綜合財務報表附註 (續)

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5. 財務風險管理目標及政策 (續)

公平值利率風險

本集團因定息銀行貸款承受公平值利率風險。

本集團目前沒有利率對沖政策。然而，管理層對利率風險實施監察，倘若預期將出現重大利率風險，將會考慮採取其他必要的行動。

現金流利率風險

本集團的現金流利率風險主要來自按浮動利率計息的借款。本集團之借款政策均以浮動利率計息，以減低公平值利率風險。

信貸風險

本集團之主要金融資產為貿易應收款項及其他應收款項及銀行結餘，即本集團有關金融資產之最高信貸風險。

本集團承受之信貸風險主要來自貿易應收款項。為了盡量減低信貸風險，本集團管理層會不斷監察風險水平，藉以確保採取跟進行動收回逾期債項。此外，本集團會在各年結日審閱各項個別貿易債項的可收回金額，確保對無法收回金額計提充足的減值虧損撥備。有鑒於此，本公司董事認為本集團的信貸風險已顯著降低。

流動資金之信貸風險有限，皆因大部分其他方均為信譽良好之國有銀行。

本集團並無集中之信貸風險，有關風險乃分散至多個其他方及客戶。

5. Financial Risk Management Objectives and Policies (continued)

Fair value interest rate risk

The Group exposed to fair value interest rate risk through the fixed interest rate bank loans.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to floating-rate borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

Credit risk

The Group's principal financial assets are trade and other receivables and bank balances, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the Group's management continuously monitor the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate allowances are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because majority of the counterparties are state-owned banks with good reputation.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

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5. 財務風險管理目標及政策 (續)

流動性風險

本集團之目標為透過利用銀行借貸，維持資金持續供應及靈活性之平衡。本集團承擔之流動性風險有限。

6. 營業額、收益及分部資料

本集團主要從事開發、製造及銷售化學原料藥、製劑、化工及其他產品。本年已確認收入列載如下：

5. Financial Risk Management Objectives and Policies (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group's exposure to liquidity risk is minimal.

6. Turnover, Revenue And Segmental Information

The Group is principally engaged in the development, production and sales of pharmaceutical products, preparations, chemicals and other products. Revenues recognised during the year are as follows:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
營業額- 產品銷售收入	Turnover — Sales of goods	1,685,367	1,712,102
其他業務收入	Other operating income		
銀行利息收入	Bank interest income	4,411	4,924
聯營公司貸款利息收入	Interest income from loan to an associate	270	80
可供出售之投資利息收入	Interest income from an available-for-sale investment	6,588	6,753
可供出售之投資股息收入	Dividend income from an available-for-sale investment	141	—
租金收入	Rental income	1,725	1,786
廢料銷售收入	Sales of scrap materials	—	857
出售物業、廠房及設備收益	Gain on disposal of property, plant and equipment	2,289	1,730
出售買賣投資之已實現收益	Realised gain on sale of trading investments	—	91
出售土地使用權收益	Gain on disposal of land use rights	—	12,912
匯兌淨收益	Net exchange gain	—	928
其他	Others	8,054	691
		23,478	30,752
總收入	Total revenues	1,708,845	1,742,854

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6. 營業額、收益及分部資料 (續)

本集團按業務分部及顧客所在地區
分部資料呈列如下：

(i) 業務分部資料

		二零零六年			二零零五年		
		2006		總計	2005		總計
	藥品業務	其他	藥品業務		其他		
	Pharmaceutical	Other	Pharmaceutical	Other			
	business	operations	business	operations			
	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		
分部收入	Segment revenues	<u>1,699,827</u>	<u>9,018</u>	<u>1,708,845</u>	<u>1,719,832</u>	<u>23,022</u>	<u>1,742,854</u>
分部業績	Segment results	<u>41,889</u>	<u>9,018</u>	<u>50,907</u>	<u>33,070</u>	<u>5,022</u>	<u>38,092</u>
應佔聯營公司業績	Share of results of associates			(699)			(2,732)
財務費用	Finance costs			(20,475)			(22,166)
除稅前溢利	Profit before taxation			29,733			13,194
所得稅開支	Income tax expense			(7,784)			(13,696)
本年度溢利(虧損)	Profit (loss) for the year			<u>21,949</u>			<u>(502)</u>

6. Turnover, Revenue And Segmental Information (continued)

Analysis of the Group's segment information for the year by business segment and geographical location of customers is set out as follows:

(i) By business segment

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6. 營業額、收益及分部資料 (續)

(i) 業務分部資料 (續)

6. Turnover, Revenue And Segmental Information (continued)

(i) By business segment (continued)

		二零零六年			二零零五年		
		2006		總計	2005		總計
藥品業務	其他		藥品業務		其他		
Pharmaceutical	Other		Pharmaceutical	Other			
business	operations	Total	business	operations	Total		
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		
資產	ASSETS						
分部資產	Segment assets	1,698,218	140,777	1,838,995	2,040,272	140,777	2,181,049
聯營公司權益	Interests in associates	42,580	—	42,580	30,279	—	30,279
綜合總資產	Consolidated total assets			<u>1,881,575</u>			<u>2,211,328</u>
負債	LIABILITIES						
分部負債	Segment liabilities	(501,581)	—	(501,581)	(833,268)	—	(833,268)
未分配負債	Unallocated corporate liabilities	—	—	(7,507)	—	—	(7,923)
綜合總負債	Consolidated total liabilities			<u>(509,088)</u>			<u>(841,191)</u>
其他資料	OTHER INFORMATION						
資本開支	Capital expenditure	72,225	—	72,225	112,424	—	112,424
折舊及攤銷	Depreciation and amortisation	103,216	—	103,216	98,095	—	98,095
可供出售投資	Impairment losses on						
之減值虧損	an available-for-sale investment	—	—	—	—	18,000	18,000
出售物業、廠房	Gain on disposal of property,						
及設備收益	plant and equipment	(2,289)	—	(2,289)	(1,730)	—	(1,730)
出售土地使用權	Gain on disposal of land use rights	—	—	—	(12,912)	—	(12,912)
收益							
存貨撇減	Write-down of inventories	4,630	—	4,630	—	—	—

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6. 營業額、收益及分部資料 (續)

(ii) 顧客所在地區分部資料

		分部收入	
		Segment revenues	
		二零零六年	二零零五年
		2006	2005
		人民幣千元	人民幣千元
		RMB'000	RMB'000
中國(包括香港)	PRC (including Hong Kong)	988,706	1,081,298
歐洲	Europe	229,080	318,489
美洲	Americas	344,901	111,972
其他國家	Others	146,158	231,095
		1,708,845	1,742,854

本集團超過99%之資產均位於中國，所以沒有呈列資產和資本開支的地區分部資料。

6. Turnover, Revenue And Segmental Information (continued)

(ii) By geographical location of customers

		Segment revenues	
		二零零六年	二零零五年
		2006	2005
		人民幣千元	人民幣千元
		RMB'000	RMB'000
中國(包括香港)	PRC (including Hong Kong)	988,706	1,081,298
歐洲	Europe	229,080	318,489
美洲	Americas	344,901	111,972
其他國家	Others	146,158	231,095
		1,708,845	1,742,854

Over 99% of the Group's assets are located in the PRC and therefore the analysis of segment assets and capital expenditure is not presented.

7. 財務費用

銀行貸款利息	Interest on bank loans
減：政府補貼	Less: Government subsidies

7. FINANCE COSTS

		二零零六年	二零零五年
		2006	2005
		人民幣千元	人民幣千元
		RMB'000	RMB'000
銀行貸款利息	Interest on bank loans	20,475	22,406
減：政府補貼	Less: Government subsidies	—	(240)
		20,475	22,166

綜合財務報表附註 (續)

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8. 所得稅開支

8. INCOME TAX EXPENSE

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
中國企業所得稅	PRC enterprise income tax		
— 本期	— current	10,273	6,221
— 以前年度(多提) 少提的準備	— (over) under-provision in prior years	(2,630)	3,582
遞延稅項(附註35)	Deferred taxation (note 35)	141	3,893
		<u>7,784</u>	<u>13,696</u>

(a) 中國企業所得稅乃根據中國相關法律及法規按適用稅率計算。

(b) 本公司與一子公司的註冊地在淄博市高新技術產業開發區化工區，根據國家稅務總局[1994]國稅發151號《關於高新技術企業如何適用稅收優惠政策問題的通知》，從2002年起執行所得稅稅率15%的政策，並獲得當地稅務部門批覆；從2004年起，兩家公司位於開發區內的經營所得適用稅率為15%，開發區外的經營所得適用稅率為33%，並已在當地稅務部門備案。

截至二零零六及二零零五年十二月三十一日止兩個個別年度，本集團旗下其他公司的經營所得適用稅率為33%。

(a) PRC enterprise income tax is calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC.

(b) The Company and a subsidiary are located in the high-technology economic zone of Zibo City and are entitled to preferential PRC income tax rate of 15% from year 2002 onwards, according to [1994] Guo Shui Fa No. 151 "The notice of applying favourable tax policies for the new and high technology companies" issued by the State Administration of Taxation. The companies have obtained the relevant approvals from the local tax bureau. From year 2004 onwards, the operating results of the companies derived from business conducted in the high-technology economic zone are subject to a preferential income tax rate of 15% while the business conducted outside the high-technology economic zone are subject to an income tax rate of 33%. This has been filed with the local tax bureau as a record.

Other companies within the Group are subject to income tax rate at 33% on their taxable income for the years ended 31st December 2006 and 2005.

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8. 所得稅開支 (續)

(c) 本集團截至二零零六及二零零五年十二月三十一日止兩個個別年度並無應課稅收入須繳付香港利得稅，故賬目內並無香港利得稅撥備。

(d) 年內之稅項支出與綜合損益表內除稅前溢利對照如下：

8. INCOME TAX EXPENSE (continued)

(c) No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong for the two years ended 31st December 2006 and 2005.

(d) The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
除稅前溢利	Profit before taxation	<u>29,733</u>	<u>13,194</u>
按稅率33% (二零零五年： 33%) 計算之稅項	Tax at domestic income tax rate of 33% (2005: 33%)	9,812	4,354
中國不同稅率之影響	Effect of preferential tax rate in the PRC	(3,092)	(841)
非應課稅收入	Tax effect of income not taxable for tax purpose	(937)	(9,030)
不可扣稅支出	Tax effect of expenses not deductible for tax purposes	4,117	11,018
未確認稅項虧損	Tax effect of tax losses not recognised	514	4,613
以前年度(多提)少提的準備	(Over) under-provision in prior years	<u>(2,630)</u>	<u>3,582</u>
稅項支出	Tax charge for the year	<u>7,784</u>	<u>13,696</u>

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9. 本年度溢利(虧損)

本年度溢利(虧損)
已扣除下列項目：

9. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been
arrived at after charging:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
廣告及宣傳費用	Advertising and promotion expenses	42,219	71,673
呆壞賬備抵	Allowance for bad and doubtful debts	14,689	7,598
土地使用權之預付 租賃款項攤銷	Amortisation of prepaid lease payment on land use rights	2,425	2,471
技術攤銷	Amortisation of technical know-how	1,130	808
核數師酬金	Auditors' remuneration	1,084	1,085
折舊	Depreciation	99,661	94,816
可供出售投資之減值虧損	Impairment loss on an available- for-sale investment	—	18,000
出售附屬公司虧損	Loss on disposal of a subsidiary	—	225
匯兌淨損失	Net exchange loss	3,835	—
土地及樓宇經營租賃	Operating lease rentals on land and buildings	1,191	922
維修及保養費用	Repairs and maintenance expenses	736	505
研究及開發成本	Research and development costs	16,984	19,676
應佔聯營公司稅項 (包括在應佔聯營 公司業績內)	Share of tax of associates (included in share of results of associates)	101	386
員工成本(不包括董事 及監事酬金)(附註12)	Staff costs (excluding directors' and supervisors' emoluments) (note 12)	138,933	130,147
存貨撇減	Write-down of inventories	4,630	—
		138,933	130,147

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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10. 股息

10. DIVIDENDS

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
已派中期股息：	Interim dividend paid:		
無(二零零五年：無)	Nil (2005: Nil) per share	—	—
擬派末期股息：	Final dividend proposed:		
每股人民幣0.02元	RMB0.02 (2005: RMB0.05)		
(二零零五年：	per share on 307,312,830 A shares		
每股人民幣0.05元)	and 150,000,000 H shares	9,146	22,866
按307,312,830股A股及			
150,000,000股H股計算			
		<u>9,146</u>	<u>22,866</u>

本公司董事建議按307,312,830股A股及150,000,000股H股，擬派末期股息每股人民幣0.02元(二零零五年：人民幣0.05元)(折合港幣0.0202元(二零零五年：港幣0.0482元)，A股含稅)。該股息有待股東於股東週年大會上批准及已於綜合財務報表內列作股息儲備。

The final dividend of RMB0.02 (2005: RMB0.05) per share (approximately HK\$0.0202 (2005: HK\$0.0482) per share, including income tax of A shares) on 307,312,830 A shares and 150,000,000 H shares has been proposed by the directors of the Company and is subject to approval by shareholders at the Annual General Meeting and has been included as a dividend reserve in the consolidated financial statements.

11. 每股基本溢利

11. EARNINGS PER SHARE — BASIC

每股基本溢利是根據本公司股權持有人之應佔本集團溢利人民幣22,761,000元(二零零五年：人民幣1,229,000元)及按年內已發行股份之加權平均數457,312,830股(二零零五年：457,312,830股)計算。

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of RMB22,761,000 (2005: RMB1,229,000) and based on the weighted average of 457,312,830 (2005: 457,312,830) shares in issue during the year.

截至二零零六年和二零零五年十二月三十一日止兩個年度，均沒有可能造成攤薄影響的普通股，故此並沒有對每股盈利造成攤薄影響。

There was no dilution effect on the basic earnings per share for the two years ended 31st December 2006 and 2005 as there were no dilutive shares outstanding during the two years ended 31st December 2006 and 2005.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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截至二零零六年十二月三十一日止年度

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12. 員工成本(不包括董事及 監事酬金)

12. STAFF COSTS (EXCLUDING DIRECTORS' AND SUPERVISORS' REMUNERATION)

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
薪酬及工資	Salaries and wage	92,448	85,390
員工福利及其他津貼	Staff welfare and other benefits	27,671	26,841
退休福利計劃供款 — 界定 供款計劃(附註)	Retirement benefit scheme contributions — defined contribution plans (Note)	18,814	17,916
		138,933	130,147

附註：

本集團參與地方政府設立的退休計劃，每年之供款額為過去一年本集團付予僱員之薪金、花紅及津貼(「有關收入」)總額的23%(二零零五年：23%)。每月個人有關收入的上限為人民幣4,293元(二零零五年：人民幣3,534元)。支付指定退休計劃的費用於產生時自綜合損益賬中扣除。

所有員工將會在退休之後得到相當於其退休時工資總額的固定比例的退休福利。而地方政府將會就這退休計劃負責承擔所有本集團之現已退休和將來退休的僱員的福利。因此，除上文所述的供款外，本集團並無責任為僱員支付退休款項及其他退休後福利。

Note:

As stipulated by the regulations of the PRC, the Group participates in a basic defined contribution pension scheme organised by the local municipal government, whereby it is required to pay contributions at the rate of 23% (2005: 23%) on the total salaries, bonuses and allowances (the "relevant income") paid to the Group's staff in the previous year. The monthly relevant income per head of a staff is subject to a cap of RMB4,293 (2005: RMB3,534). Contributions to this retirement scheme are charged to the consolidated income statement as and when incurred.

All employees are entitled to retirement benefits equal to a fixed proportion of their salary at their normal retirement age. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired staff of the Group. Accordingly, the Group has no other material obligation for payment of retirement and other post-retirement benefits of employees other than the contribution described above.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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13. 董事及監事酬金

已付或應付予十六位(二零零五年：
十八位)董事及監事之酬金如下：

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

The emoluments paid or payable to each of the sixteen (2005: eighteen) directors and supervisors were as follows:

		袍金	工資、花紅、 津貼及 其他福利	退休福利 計劃供款	總額
		Fees	Salaries, bonuses, allowances and other benefits	Retirement benefit scheme contributions	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
截至二零零六年 十二月三十一日止年度 For the year ended 31st December 2006					
執行董事		Executive directors			
賀端湜先生(附註1)	Mr. He Duanshi (Note 1)	—	144	11	155
劉從德先生(附註1)	Mr. Liu Congde (Note 1)	—	20	2	22
郭琴女士	Ms. Guo Qin	—	295	11	306
趙松國先生	Mr. Zhao Songguo	—	180	11	191
馬永先生	Mr. Ma Yong	—	170	11	181
劉振文先生(附註2)	Mr. Liu Zhenwen (Note 2)	—	147	10	157
任福龍先生(附註2)	Mr. Ren Fulong (Note 2)	—	240	11	251
獨立非執行董事		Independent non-executive directors			
戴慶駿先生	Mr. Dai Qingjun	—	50	—	50
莫仲堃先生	Mr. Mok Chung Kwan, Stephen	—	50	—	50
徐國君先生	Mr. Xu Guojun	—	50	—	50
孫明高先生	Mr. Sun Minggao	—	50	—	50
監事		Supervisors			
呂忠德先生(附註3)	Mr. Lü Zhongde (Note 3)	—	56	11	67
張月順先生	Mr. Zhang Yueshun	—	20	—	20
陶志超先生	Mr. Tao Zhichao	—	20	—	20
高慶剛先生	Mr. Gao Qinggang	—	120	11	131
于公福先生	Mr. Yu Gongfu	—	170	11	181
總額	Total	—	1,782	100	1,882

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)

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截至二零零六年十二月三十一日止年度

FOR THE YEAR ENDED 31ST DECEMBER 2006

13. 董事及監事酬金 (續)

附註：

1. 於二零零六年六月九日離任。
2. 於二零零六年六月九日獲委任。
3. 於二零零七年二月二日離任。

截至二零零六年和二零零五年十二月三十一日止兩個年度，沒有董事或監事放棄任何酬金。本集團並無向董事或監事支付任何酬金，作為吸引加入或加入本集團之獎勵或作為離職補償。

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

Notes:

1. Resigned on 9th June 2006.
2. Appointed on 9th June 2006.
3. Resigned on 2nd February 2007.

No directors and supervisors waived any emoluments for the two years 31st December 2006 and 2005. During the year, no emoluments have been paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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13. 董事及監事酬金 (續)

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

		袍金	工資、花紅、 津貼及 其他福利 Salaries, bonuses, allowances and other benefits	退休福利 計劃供款 Retirement benefit scheme contributions	總額 Total
		Fees			
		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 RMB'000
截至二零零五年 十二月三十一日止年度 For the year ended 31st December 2005					
執行董事		Executive directors			
賀端湜先生	Mr. He Duanshi	—	180	9	189
魯省民先生 (附註1)	Mr. Lu Shengmin (Note 1)	—	108	6	114
劉從德先生	Mr. Liu Congde	—	144	9	153
郭琴女士	Ms. Guo Qin	—	144	9	153
趙松國先生 (附註2)	Mr. Zhao Songguo (Note 2)	—	—	—	—
馬永先生 (附註2)	Mr. Ma Yong (Note 2)	—	—	—	—
獨立非執行董事		Independent non-executive directors			
肖瑜先生 (附註3)	Mr. Xiao Yu (Note 3)	—	50	—	50
戴慶駿先生	Mr. Dai Qingjun	—	50	—	50
莫仲堃先生	Mr. Mok Chung Kwan, Stephen	—	50	—	50
孫華先生 (附註3)	Mr. Sun Hua (Note 3)	—	50	—	50
徐國君先生 (附註2)	Mr. Xu Guojun (Note 2)	—	—	—	—
孫明高先生 (附註2)	Mr. Sun Minggao (Note 2)	—	—	—	—
監事		Supervisors			
呂忠德先生	Mr. Lü Zhongde	—	50	9	59
張月順先生	Mr. Zhang Yueshun	—	20	—	20
陶志超先生	Mr. Tao Zhichao	—	20	—	20
高慶剛先生 (附註4)	Mr. Gao Qinggang (Note 4)	—	108	9	117
翟魯敏女士 (附註3)	Ms. Zhai Lumin (Note 3)	—	—	—	—
于公福先生 (附註2)	Mr. Yu Gongfu (Note 2)	—	—	—	—
總額	Total	—	974	51	1,025

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(根據香港普遍採納之會計原則編制)
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截至二零零六年十二月三十一日止年度
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13. 董事及監事酬金 (續)

附註：

- 於二零零五年八月二十六日被公司董事免職。
- 於二零零五年十二月二十二日獲委任。
- 於二零零五年十二月二十二日離任。
- 於二零零五年十二月二十二日離任執行董事及獲委任為監事，二零零五年度所獲酬金為執行董事酬金。

14. 僱員酬金

年內，五位最高薪酬人士包括四位董事(二零零五年：兩位董事)，其酬金詳情載於附註13。其餘一位(二零零五年：三位)最高薪酬人士之酬金如下：

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

Notes:

- Removed from the office of directors of the Company on 26th August 2005.
- Appointed on 22nd December 2005.
- Resigned on 22nd December 2005.
- Resigned as executive director and appointed as supervisor on 22nd December 2005, the above paid emoluments was executive directors' emoluments.

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2005: two) were directors, whose emoluments are set out in note 13 above. The emoluments of the remaining one (2005: three) highest paid individual was as follows:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
工資、花紅、津貼及其他福利	Salaries, bonuses, allowances and other benefits	180	465
退休福利計劃供款	Retirement benefit scheme contributions	11	28
		191	493

其酬金價介乎以下範圍：

Their emoluments were within the following band:

		僱員數目 Number of employees	
		二零零六年 2006	二零零五年 2005
零至人民幣1,000,000	Nil to RMB1,000,000	1	3

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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FOR THE YEAR ENDED 31ST DECEMBER 2006

15. 技術

15. TECHNICAL KNOW-HOW

人民幣千元
RMB'000

原值	COST	
於二零零五年一月一日	At 1st January 2005	5,000
增加	Addition	1,550
		<hr/>
於二零零五年十二月三十一日 及二零零六年 十二月三十一日	At 31st December 2005 and 31st December 2006	6,550
		<hr/>
攤銷	AMORTISATION	
於二零零五年一月一日	At 1st January 2005	1,560
本年攤銷	Charge for the year	808
		<hr/>
於二零零五年十二月三十一日	At 31st December 2005	2,368
本年攤銷	Charge for the year	1,130
		<hr/>
於二零零六年十二月三十一日	At 31st December 2006	3,498
		<hr/>
賬面值	CARRYING VALUES	
於二零零六年十二月三十一日	At 31st December 2006	3,052
		<hr/> <hr/>
於二零零五年十二月三十一日	At 31st December 2005	4,182
		<hr/> <hr/>

本集團的技術從第三方購入。技術按其可使用年期4至6年期以直線法攤銷。

The Group's technical know-how were acquired from third parties. The technical know-how have definite useful lives and amortised on a straight-line basis over four to six years.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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16. 物業、廠房及設備

16. PROPERTY, PLANT AND EQUIPMENT

		建築物	廠房、機器 及設備	汽車	總計
		Buildings	Plant, machinery and equipment	Motor vehicles	Total
		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 RMB'000
重估值	VALUATION				
於二零零五年一月一日	At 1st January 2005	330,611	845,902	17,592	1,194,105
由在建工程轉入(附註17)	Transferred from construction- in-progress (note 17)	82,327	96,327	—	178,654
添置	Additions	288	29,301	762	30,351
出售附屬公司	Disposal of a subsidiary	—	(208)	—	(208)
出售	Disposals	(11,090)	(12,402)	(4,885)	(28,377)
於二零零五年十二月 三十一日	At 31st December 2005	402,136	958,920	13,469	1,374,525
由在建工程轉入(附註17)	Transferred from construction- in-progress (note 17)	24,158	21,244	—	45,402
添置	Additions	800	27,145	3,124	31,069
重新分類為待出售	Reclassified as held for sale	(8,329)	—	—	(8,329)
出售	Disposals	—	(42,746)	(3,655)	(46,401)
於二零零六年十二月 三十一日	At 31st December 2006	418,765	964,563	12,938	1,396,266
累積折舊	ACCUMULATED DEPRECIATION				
於二零零五年一月一日	At 1st January 2005	123,715	358,909	11,287	493,911
本年度折舊	Charge for the year	15,684	76,916	2,216	94,816
出售附屬公司	Disposal of a subsidiary	—	(72)	—	(72)
出售之對銷	Eliminated on disposals	(10,269)	(11,829)	(4,864)	(26,962)
於二零零五年十二月 三十一日	At 31st December 2005	129,130	423,924	8,639	561,693
本年度折舊	Charge for the year	15,520	82,183	1,958	99,661
重新分類為待出售	Reclassified as held for sale	(4,338)	—	—	(4,338)
出售之對銷	Eliminated on disposals	—	(36,806)	(3,260)	(40,066)
於二零零六年 十二月三十一日	At 31st December 2006	140,312	469,301	7,337	616,950
賬面值	CARRYING VALUES				
於二零零六年十二月 三十一日	At 31st December 2006	278,453	495,262	5,601	779,316
於二零零五年十二月 三十一日	At 31st December 2005	273,006	534,996	4,830	812,832

綜合財務報表附註 (續)

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16. 物業、廠房及設備 (續)

- (a) 本集團所有建築物位於中國。
- (b) 為準備本公司的股票於聯交所上市，本公司的物業、廠房及設備首先於一九九五年十二月三十一日由中國註冊估值師山東會計師事務所按折舊重置成本的基準作估值。其後本公司的物業、廠房及設備於一九九六年九月三十日由一獨立估值師 - 卓德測計師行有限公司按公開市值重新估值。兩個重估增值列賬後對截至二零零六年十二月三十一日止年度增加的折舊費用為人民幣422,000元(二零零五年：人民幣432,000元)。
- (c) 倘本集團之物業、廠房及設備以成本值減累計折舊入賬，該等資產之賬面值將分別約為：

16. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All the buildings of the Group are located in the PRC.
- (b) In the preparation of the listing of the Company's shares on the Stock Exchange, the Company's property, plant and equipment were firstly revalued as at 31st December 1995 by Shandong Certified Public Accountants, a firm of valuers registered in the PRC on a depreciated replacement cost basis as part of its restructuring. Another separate revaluation was carried out on the Company's property, plant and equipment as at 30th September 1996, by Chesterton Petty Limited, an independent valuer, on an open market value basis. The adoption of the above two revaluations in the accounts has resulted in an additional depreciation charge of RMB422,000 (2005: RMB432,000) in respect of the year ended 31st December 2006.
- (c) Had the property, plant and equipment of the Group been carried at cost less accumulated depreciation, the carrying value of such property, plant and equipment in the accounts would have been approximately:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
建築物	Buildings	275,862	270,281
廠房、機器及設備	Plant, machinery and equipment	493,921	533,385
汽車	Motor vehicles	5,115	4,344
		774,898	808,010

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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16. 物業、廠房及設備 (續)

- (d) 於二零零六年十二月三十一日，本集團之所有物業、廠房及設備均由本公司董事按折舊重置成本基準作估值。由於重估值與於二零零六年十二月三十一日之賬面值並無重大差異，本公司董事認為物業、廠房及設備於二零零六年十二月三十一日之賬面值已經公平地反映其於當日之可收回價值。

以上物業、廠房及設備之折舊按直線法計提。物業、廠房及設備之可使用年期如下：

建築物	20 年
廠房、機器及設備	5-10年
汽車	5 年

16. PROPERTY, PLANT AND EQUIPMENT

(continued)

- (d) At 31st December 2006, all property, plant and equipment of the Group were revalued by the directors of the Company on a depreciated replacement cost basis. Since there are no material differences between the revalued amount and the carrying values at 31st December 2006, the directors of the Company are of the opinion that the carrying values of property, plant and equipment at 31st December 2006 fairly reflected their recoverable amount at that time.

The above items of property, plant and equipment are depreciated on a straight-line basis. The estimated useful lives of the property, plant and equipment are as follows:

Buildings	20 years
Plant, machinery and equipment	5-10 years
Motor vehicles	5 years

17. 在建工程

17. CONSTRUCTION-IN-PROGRESS

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
於一月一日	At 1st January	90,168	221,164
增加	Additions	41,156	79,400
轉往物業、廠房及設備 (附註16)	Transfer to property, plant and equipment (note 16)	(45,402)	(178,654)
轉往土地使用權之 預付租賃款項	Transfer to prepaid lease payments on land use rights	—	(27,595)
出售	Disposal	—	(4,147)
於十二月三十一日	At 31st December	<u>85,922</u>	<u>90,168</u>

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17. 在建工程 (續)

在建工程指於二零零六年十二月三十一日正在建造並尚未投產的建築物、廠房及機器設備所發生的開支。於二零零六年十二月三十一日及二零零五年度內均沒有關於在建工程的貸款。

在建工程包括購買位於中國山東省淄博市的土地使用權之訂金人民幣1,940,000元(二零零五年：人民幣2,641,000元)。

17. CONSTRUCTION-IN-PROGRESS (continued)

Construction-in-progress comprises expenditures incurred on buildings, plants and machinery not yet commissioned at 31st December 2006. For the years ended 31st December 2006 and 2005, no loans were borrowed for financing construction-in-progress.

Included in construction-in-progress, an amount of RMB1,940,000 (2005: RMB2,641,000) represents prepayment for purchase of land use rights in Zibo, Shandong, the PRC.

18. 土地使用權之預付租賃款項

18. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
本集團預付租賃款項包括：	The Group's prepaid lease payments comprise:		
中國之租賃土地	Leasehold land in PRC:		
中期	Medium-term lease	87,161	89,639
短期	Short lease	1,662	1,817
		<u>88,823</u>	<u>91,456</u>
就報告而作出之分析如下：	Analysed for reporting purposes as:		
流動資產	Current assets	2,419	2,471
非流動資產	Non-current assets	86,404	88,985
		<u>88,823</u>	<u>91,456</u>

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18. 土地使用權之預付租賃款項 (續)

本集團已取得中國之土地使用權，並已於土地上興建樓宇。本集團已支付該購買代價之大部分款額，而本集團仍尚待有關政府機關就若干該等土地使用權益批出正式所有權。於二零零六年十二月三十一日，本集團尚未獲授正式所有權之土地權益賬面淨值約為人民幣30,385,000元(二零零五年：約人民幣31,213,000元)。本公司董事認為，本集團有關土地使用權價值不會因未獲批授該等土地權益之正式所有權而減少。本公司董事亦相信，該等土地權益之正式所有權即將向本集團批出。

18. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS (continued)

The Group has acquired land use rights in the PRC and has erected buildings thereon. While the Group has paid substantially the full consideration of the purchase consideration, the relevant government authorities have not granted formal title to certain of these land use rights to the Group. As at 31st December 2006, the carrying values of the land use rights for which the Group had not been granted formal title amounted to approximately RMB30,385,000 (2005: approximately RMB31,213,000). In the opinion of the directors of the Company, the absence of formal title to these land use rights does not impair the value of the relevant land use rights to the Group. The directors of the Company also believe that formal title to these land use rights will be granted to the Group in due course.

19. 聯營公司權益

19. INTERESTS IN ASSOCIATES

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
於非上市聯營公司 投資之成本	Cost of investment in associates, unlisted	47,831	34,831
應佔被投資公司收購後之 虧損及儲備	Share of post-acquisition losses and reserves	(5,251)	(4,552)
		42,580	30,279

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19. 聯營公司權益 (續)

於二零零六年十二月三十一日之聯營公司詳情如下：

19. INTERESTS IN ASSOCIATES (continued)

The details of the associates as at 31st December 2006 are as follows:

聯營公司名稱	公司架構	股份類別	註冊成立國家及 法定地位	註冊資本詳情	集團所持 實際權益	主要業務及經營地點
Name of associate	Form of business structure	Class of shares held	Place of incorporation and kind of legal entity	Nominal value of registered capital	Percentage of equity attributable to the Group	Principal activities and place of operation
淄博新華一 百利高製藥 有限責任公司 「新華一 百利高」	法團	繳入股本	中國，有限 責任公司	美元6,000,000	50% (附註 1)	於中國生產藥物及 醫藥用品
SINO-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited ("Xinhua-Perrigo")	Incorporated	Contributed capital	PRC, limited company	USD6,000,000	50% (Note 1)	Production of medicine and medical products in the PRC
山東新華隆信化工 有限公司	法團	繳入股本	中國，有限 責任公司	人民幣25,000,000	40%	於中國生產及 銷售化工產品
Shandong Xinhua Longxin Chemical Co., Ltd.	Incorporated	Contributed capital	PRC, limited company	RMB25,000,000	40%	Manufacture and sales of chemical products in the PRC
山東大地新華化學 有限公司「大地新華」	法團	繳入股本	中國，有限 責任公司	人民幣26,000,000	49% (附註 2)	於中國生產及 銷售化工產品
山東大地新華化學 有限公司(「大地新華」)	Incorporated	Contributed capital	PRC, limited company	RMB26,000,000	49% (Note 2)	Production and sale of chemical products in the PRC
山東新華長星化工 設備有限公司	法團	繳入股本	中國，有限 責任公司	人民幣22,000,000	35%	於中國生產及 銷售化工設備及配件
山東新華長星化工 設備有限公司	Incorporated	Contributed capital	PRC, limited company	RMB22,000,000	35%	Production and sale of chemical equipments and spare parts in the PRC

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19. 聯營公司權益 (續)

附註：

1. 新華 - 百利高是本公司與美國百利高國際公司共同組成之合營公司，其主要業務為於中國生產藥物及醫藥用品。該合營公司之註冊及繳足資本為6,000,000美元，其中本集團注資額為3,000,000美元，佔五成股權。因本公司只能對該合營公司之管理行使重大之影響力，本公司董事認為該合營公司乃聯營公司。
2. 大地新華註冊資本為人民幣26,000,000元，於二零零六年十二月三十一日，本公司已出資人民幣5,300,000元，餘下人民幣7,440,000元將於二零零七年支付。

本集團聯營公司之未經審計財務資料概要呈列如下：

19. INTERESTS IN ASSOCIATES (continued)

Notes:

1. Xinhua-Perrigo is a joint venture between the Company and Perrigo International, Inc for the production of medicine and medical products in the PRC. The registered capital and paid-up capital of the joint venture is USD6,000,000, of which the Company contributed USD3,000,000 for its 50% share. The directors of the Company regard the joint venture as an associate as the Company only exercises significant influence in its management.
2. The registered capital of 大地新華 is RMB26,000,000, the Company has paid-up RMB5,300,000 as at 31st December 2006, the remaining of RMB7,440,000 will be paid up in 2007.

The summarised unaudited financial information in respect of the Group's associates is set out below:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
資產總值	Total assets	143,644	91,783
負債總額	Total liabilities	(48,457)	(25,832)
資產淨值	Net assets	<u>95,187</u>	<u>65,951</u>
本集團應佔聯營公司之 資產淨值	Group's share of net assets of associates	<u>42,580</u>	<u>30,279</u>
營業額	Turnover	<u>100,606</u>	<u>20,471</u>
年內虧損	Loss for the year	<u>(1,564)</u>	<u>(5,131)</u>
本集團應佔聯營公司之 年內業績	Group's share of results of associates for the year	<u>(699)</u>	<u>(2,732)</u>

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20. 聯營公司貸款

20. LOAN TO AN ASSOCIATE

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
聯營公司貸款	Loan to an associate	<u>6,921</u>	<u>6,921</u>
就報告賬面值而作出之 分析如下：	Carrying amount analysed for reporting purposes:		
流動資產(貸款可 於年結日起十二個月 內收回)(附註26)	Current assets (receivable within 12 months from the balance sheet date) (note 26)	6,921	2,481
非流動資產(貸款可 於年結日起十二個月 後收回)	Non-current assets (receivable after 12 months from the balance sheet date)	—	4,440
		<u>6,921</u>	<u>6,921</u>

此貸款為貸款予新華一百利高公司，有關款項無抵押，利息按市場利息計算。約人民幣2,481,000元於二零零六年七月到期，本公司向新華 - 百利高展期至二零零七年一月，餘下貸款於二零零七年六月到期，本公司向新華一百利高公司提供展期至二零零七年十一月。本公司董事認為，聯營公司貸款於年結日之賬面值與其按市場利息計算之日後現金流量的公平價值相若。

The amount represents loan advanced to an associate, Xinhua-Perrigo. The amount is unsecured, carries interest at prevailing market rates. Other than the amount of RMB2,481,000 was repayable in July 2006 and is extended to January 2007, the remaining amounts was repayable in June 2007 and is extended to November 2007. In the opinion of the directors of the Company, the fair value of the loan to an associate at the balance sheet date, determined based on the present value of the estimated cash flows discounted using the prevailing market rate at the balance sheet date, approximated to its carrying amount.

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21. 可供出售之投資

於二零零六年十二月三十一日的可供出售投資如下：

21. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31st December 2006 comprise:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
非上市投資：	Unlisted securities:		
— 股本證券	— equity securities	53,777	53,777
— 債券按固定年利率5.81% (二零零五年：5.27%) 及於二零零七年七月 到期(附註a)	— debt securities with fixed interest of 5.81% (2005: 5.27%) and maturity date in July 2007 (note a)	117,000	117,000
減：已確認減值虧損 (附註b)	Less: Impairment loss recognised (note b)	(30,000)	(30,000)
總額	Total	<u>140,777</u>	<u>140,777</u>

就報告而作出之分析如下：

Analysed for reporting purposes as:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
流動資產	Current assets	117,000	—
非流動資產	Non-current assets	23,777	140,777
		<u>140,777</u>	<u>140,777</u>

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21. 可供出售之投資 (續)

以上投資為非上市中國股本投資。由於估計上述非上市投資合理公平值時所需要考慮之假設因素範圍甚廣，本公司董事認為未能可靠地衡量其公平值，故此該等投資於各年結日按成本扣除減值入賬。

附註：

- (a) 在二零零四年七月，本集團投資人民幣1.3億元參加青島海協信託投資有限公司(「青島海協」)為深圳衡業投資發展有限公司(「衡業公司」)收購一家於中國生產醫藥產品的公司而設立的股權收購項目信託資金計劃。衡業公司承諾將收購的股權向青島海協提供全額質押，本集團同意青島海協在衡業公司無法歸還貸款本息時，以上述質押的股權償還本集團的信託本金和收益。該信託資金計劃為期三年，而年回報率是投資本金的5.81% (二零零五年：5.27%)。青島海協已於二零零五年歸還本金人民幣13,000,000元予本集團。
- (b) 於二零零六年十二月三十一日，公司持有天同證券有限責任公司(一家非上市的證券公司)之投資的合共成本價人民幣30,000,000元。該公司正面臨財政危機，因此已確認減值虧損人民幣30,000,000元(二零零五年：人民幣30,000,000元)。本公司董事認為，該減值乃彼等參考市場狀況及證券交易公司情況後根據其最佳估計而作出。

21. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so wide that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

Notes:

- (a) In July 2004, the Group invested RMB130,000,000 in an equity acquisition trust fund plan organised by Qingdao Hisyn Trust & Investment Co., Ltd. ("Qingdao Hisyn") for Shenzhen Hengye Investment Development Co., Ltd. ("Hengye Company") to acquire equity interests in a company engaging in pharmaceutical manufacturing business in the PRC. Under the arrangement, Hengye Company undertakes to pledge the equity interests acquired to Qingdao Hisyn in full amount. The Group agrees that Qingdao Hisyn uses the above equity interests so pledged to repay the trust fund principal and interest to the Group in the event that Hengye Company was in default of repayment. The trust fund plan is for a term of three years and the return to the Group is at a rate of 5.81% (2005: 5.27%) per annum on the investment amount. Qingdao Hisyn has repaid RMB13,000,000 principal to the Group during the year ended 31st December 2005.
- (b) As at 31st December 2006, the Group held an investment in Tian Tong Securities Company Limited, an unlisted securities trading company, at a cost of RMB30,000,000. The securities trading company is facing financial difficulties and impairment loss of RMB30,000,000 (2005: RMB30,000,000) had been recognised. The directors of the Company are of the opinion that the impairment is made based on their best estimation with reference to the market situation and circumstances of the securities trading company.

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22. 存貨

22. INVENTORIES

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
原材料	Raw materials	31,458	49,439
在製品	Work-in-progress	67,456	92,973
產成品	Finished goods	112,118	120,930
耗用品	Consumables	13,324	11,423
		224,356	274,765

以可變現淨值列賬之本集團產成品的賬面值合共人民幣21,549,000元(二零零五年：人民幣8,531,000元)。

Included in the above were finished goods of approximately RMB21,549,000 (2005: RMB8,531,000) carried at net realisable value.

23. 應收賬款及票據

23. TRADE AND BILLS RECEIVABLES

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
應收賬款及票據	Trade and bills receivables	246,190	292,491
減：呆壞賬備抵	Less: Allowance for bad and doubtful debts	(12,691)	(10,770)
		233,499	281,721

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23. 應收賬款及票據 (續)

於二零零六年十二月三十一日，應收賬款及票據(已扣除備抵)的賬齡分析如下：

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
一年以內	Within one year	186,017	262,759
多於一年但少於兩年	More than one year but less than two years	39,584	15,247
多於兩年但少於三年	More than two years but less than three years	7,898	3,715
		233,499	281,721

本集團之出口銷售之營業額均以信用證或付款交單方式進行銷售。營業額之其他結餘則按記賬交易形式進行，其中部分以客戶之備用信用證或銀行擔保作保證。

於年結日，本集團之應收賬款及票據之公平值與同期之賬面值相若。

24. 其他應收款項及按金／其他應付款

於年結日，該等金額之公平值與同期之賬面值相若。

23. TRADE AND BILLS RECEIVABLES

(continued)

At 31st December 2006, the ageing analysis of the trade and bills receivables, net of allowance is as follows:

	二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
一年以內	186,017	262,759
多於一年但少於兩年	39,584	15,247
多於兩年但少於三年	7,898	3,715
	233,499	281,721

The Group's turnover from export sales is on letter of credit or documents against payment. The remaining balances of turnover are on open account terms which are partially covered by customers' stand-by letter of credit or bank guarantees.

The fair value of the Group's trade and bills receivables at the balance sheet date approximated to the carrying amount.

24. OTHER RECEIVABLES AND DEPOSITS/ OTHER PAYABLES

The fair values of the amounts at the balance sheet date approximated to the corresponding carrying amounts.

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25. 應收直接控股公司款項

應收直接控股公司款項是無抵押及免息。於二零零六年十二月三十一日，款項須於要求時償還。於二零零五年十二月三十一日，除人民幣9,507,000元將於二零零六年九月償還，餘額須於要求時償還。於二零零六年十二月三十一日，此等款項包括貿易款項約人民幣46,874,000元(二零零五年: 人民幣28,991,000元)。直接控股公司承諾償還及代收回應收及應付同級附屬公司款項。於二零零六年十二月三十一日，應收直接控股公司款項乃應收及應付直接控股公司及同級附屬公司之淨額。

本公司董事認為，應收直接控股公司款項於年結日之賬面值與其按市場利息計算之日後現金流量的公平價值相若。

25. AMOUNT DUE FROM IMMEDIATE HOLDING COMPANY

The amount due from immediate holding company is unsecured and interest-free. As at 31st December 2006, the amount is repayable on demand. As at 31st December 2005, other than an amount of approximately RMB9,507,000 will be repaid in September 2006, the remaining amounts were repayable on demand. Out of the total balance at 31st December 2006, approximately RMB46,874,000 (2005: RMB28,991,000) was trading in nature. The immediate holding company has undertaken to settle and receive all amounts due to and due from the fellow subsidiaries. As at 31st December 2006, the amount due from immediate holding company represents the net balance due from and to the immediate holding company and the fellow subsidiaries.

In the opinion of the directors of the Company, the fair value of the amount due from immediate holding company at the balance sheet date, determined based on the present value of the estimated cash flows discounted using the prevailing market rate at the balance sheet date, approximated to its carrying amount.

26. 應收聯營公司款項

應收聯營公司款項
聯營公司貸款於一年內
到期(附註20)

Amounts due from associates
Loan to an associate
— due within one year (note 20)

二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
-----------------------------------	-----------------------------------

12,940	554
6,921	2,481
19,861	3,035

應收聯營公司款項為無抵押、免息及須於要求時償還。於年結日，本集團之應收聯營公司款項之公平值與賬面值相若。

Amounts due from associates are unsecured, interest-free and repayable on demand. The fair value of the amounts due from associates at the balance sheet date approximated to the carrying amount.

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27. 銀行承兌匯票保證金存款

根據本集團與銀行簽訂的銀行承兌協議及匯票承兌合同，本公司開具的銀行承兌匯票需按票面金額的30%在相關銀行賬戶存入銀行承兌匯票保證金。此等承兌匯票均為短期，因此銀行承兌匯票保證金，分類為流動資產。該等保證金存款之固定利率為年息率2.07% (二零零五年：2.07%)。銀行承兌保證金，將於相關銀行貸款償還時退回。於年結日，該保證金存款之公平值與其賬面值相若。

27. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to bank to secure short-term banking facilities granted to the Group in respect of bills and letter of credit facilities and are therefore classified as current assets. In accordance with the facilities agreements, the Group is required to place deposits, which is amounted to 30% of the face value of the issued bills to the banks. The deposits carry fixed interest rate of 2.07% (2005: 2.07%) per annum. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The fair value of bank deposits at the balance sheet date approximated to the carrying amount.

28. 衍生金融工具

28. DERIVATIVE FINANCIAL INSTRUMENTS

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
對沖會計不包括衍生工具	Derivative not under hedge accounting:		
遠期外匯合約之公平值	Fair value of foreign currency forward contracts	134	84

綜合財務報表附註 (續)

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28. 衍生金融工具 (續)

本集團已訂立以美元為單位之遠期合約。於二零零六年十二月三十一日尚未到期的外幣遠期合約之主要條款如下：

名義金額 Notional amount	到期日 Maturity	匯率 Exchange rates
沽售2,000,000美元 Sell USD2,000,000	二零零七年一月十一日 11th January 2007	0.1276美元兌1人民幣 USD0.1276 to RMB1
沽售2,000,000美元 Sell USD2,000,000	二零零七年一月十五日 15th January 2007	0.1279美元兌1人民幣 USD0.1279 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零七年二月十五日 15th February 2007	0.1282美元兌1人民幣 USD0.1282 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零七年三月二十六日 26th March 2007	0.1291美元兌1人民幣 USD0.1291 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零七年四月二十六日 26th April 2007	0.1294美元兌1人民幣 USD0.1294 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零七年五月二十五日 25th May 2007	0.1296美元兌1人民幣 USD0.1296 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零七年六月二十六日 26th June 2007	0.1299美元兌1人民幣 USD0.1299 to RMB1

上述衍生工具於各年結日按公平值計算。其公平值乃按同等工具按照金融機構所報之市價釐定。

28. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

The Group had entered into forward contracts denominated in United States Dollar ("USD"). The major terms of the foreign currency forward contracts outstanding at 31st December 2006 are as follows:

The above derivatives are measured at fair value at each balance sheet date, determined based on the quoted prices from financial institutions for equivalent instruments.

29. 銀行存款及現金結餘

銀行存款及現金結餘包括銀行存款、現金以及三個月或以下的短期存款。短期銀行存款合共人民幣10,000,000元(二零零五年：無)的固定年利率為1.62%至2.07% (二零零五年：無)。

於年結日，該等金額之公平值與同期之賬面值相若。

29. BANK BALANCES AND CASH

Bank balances and cash comprises bank balances and cash held by the Group and short-term bank deposits with maturity of three months or less which are interest-bearing at prevailing market rates. The short-term bank deposits of RMB10,000,000 (2005: Nil) carry fixed interest rates ranged from 1.62% to 2.07% per annum (2005: Nil).

The fair values of the amounts at the balance sheet date approximated to the corresponding carrying amounts.

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30. 待出售之資產

本集團已有指定計劃出售一座建築物及土地使用權，之前此建築物由本集團之其中一家附屬公司作為辦公用途。本集團現正尋找合適買家。截至二零零六年十二月三十一日，有關資產之出售之所得款淨額預期將超過其賬面淨額，因此，由土地使用權之預付租賃款項及建築物重分類至待出售之資產時，不須確認減值虧損。

31. 應付賬款及票據

於二零零六年十二月三十一日，應付賬款及票據的賬齡分析如下：

一年以內	Within one year
多於一年但少於兩年	More than one year but less than two years
多於兩年但少於三年	More than two years but less than three years
超過三年	Over three years

於年結日，本集團之應付賬款及票據之公平值與同期之賬面值相若。

32. 應付聯營公司款項

應付聯營公司款項為無抵押、免息及已歸還。

於年結日，應付聯營公司款項之公平值與其賬面值相若。

30. ASSETS CLASSIFIED AS HELD FOR SALE

The Group has a committed plan to dispose of prepaid lease payments on land use rights and buildings erected thereon, which was previously used as an office premise for one of the Company's subsidiary, were no longer utilised. A search is underway for a buyer. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets, therefore no impairment loss was recognised on reclassification of the prepaid lease payments on land use rights and buildings as assets held for sale as at 31st December 2006.

31. TRADE AND BILLS PAYABLES

At 31st December 2006, the ageing analysis of the trade and bills payables is as follows:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
一年以內	Within one year	198,906	340,858
多於一年但少於兩年	More than one year but less than two years	10,388	1,038
多於兩年但少於三年	More than two years but less than three years	428	412
超過三年	Over three years	3,358	3,312
		<u>213,080</u>	<u>345,620</u>

The fair value of the Group's trade and bills payables at the balance sheet date approximated to the carrying amount.

32. AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate is unsecured, interest-free and was fully settled.

The fair value of the amount due to an associate at the balance sheet date approximated to the carrying amount.

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33. 無抵押短期銀行貸款

33. UNSECURED SHORT-TERM BANK LOANS

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
無抵押之銀行貸款 於一年內到期	Unsecured bank loans due within one year	235,234	418,969

以上金額按市場利率計息。

The above amounts bear interest at prevailing market rates.

於二零零六年十二月三十一日，銀行貸款包括約人民幣185,000,000元之貸款按固定年利率5.508%至5.580%計息，餘下銀行貸款為以浮動年利率5.29%至5.98%計息。

At 31st December 2006, bank loans include approximately RMB185,000,000 fixed-rate borrowings which carry interest at 5.508% to 5.580% per annum. The remaining bank loans are floating-rate borrowings which carry interest ranging from 5.29% to 5.98% per annum.

於二零零五年十二月三十一日，銀行貸款中約人民幣220,000,000元之借貸按固定利率計息，其中人民幣20,000,000元以年利率5.58%計息及人民幣200,000,000元以年利率3.78%計息。餘下銀行貸款以年浮動利率1.76%至5.70%計息。

At 31st December 2005, bank loans included approximately RMB220,000,000 fixed-rate borrowings, of which RMB20,000,000 carried interest at 5.58% per annum and RMB200,000,000 carried interest at 3.78% per annum. The remaining bank loans were floating-rate borrowings which carried interest ranging from 1.76% to 5.70% per annum.

本集團以有關集團公司之功能貨幣以外之貨幣列示之借貸如下：

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		美元千元 USD '000	港幣千元 Hong Kong Dollars '000
於二零零六年十二月三十一日	As at 31st December 2006	—	50,000
於二零零五年十二月三十一日	As at 31st December 2005	18,210	50,000

於二零零六年十二月三十一日，本集團獲得新增貸款金額為人民幣323,011,000元(二零零五年：人民幣487,989,000元)。貸款按市場利率計息並將於二零零七年全數償還。

During the year ended 31st December 2006, the Group obtained new loans in the amount of approximately RMB323,011,000 (2005: RMB487,989,000). These loans carry interest at prevailing market rates and will be repayable in 2007.

本公司董事認為於年結日銀行貸款之賬面值與其公平值相若。

The directors of the Company consider that the carrying amounts of the bank loans at the balance sheet date approximated to their fair values.

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34. 股本

34. SHARE CAPITAL

發行及實收資本		二零零六年 2006		二零零五年 2005	
		千股 Number of shares '000	人民幣千元 RMB'000	千股 Number of shares '000	人民幣千元 RMB'000
國有股份每股面值人民幣1元	State-owned shares of RMB1 each				
於一月一日	At 1st January	214,440	214,440	214,440	214,440
股權分置改革減少(附註1)	Decrease as a result of Revised Share Reform (note 1)	(26,654)	(26,654)	—	—
轉至法人股份(附註2)	Transfer to PRC legal person shares (note 2)	(24,527)	(24,527)	—	—
於十二月三十一日	At 31st December	163,259	163,259	214,440	214,440
募集法人股每股面值人民幣1元	Promoters' shares of RMB1 each				
於一月一日及十二月三十一日	At 1st January and 31st December	16,720	16,720	16,720	16,720
法人股每股面值人民幣1元	PRC legal person shares of RMB1 each				
於一月一日	At 1st January	—	—	—	—
由國有股份轉入(附註2)	Transfer from state-owned shares (note 2)	24,527	24,527	—	—
於十二月三十一日	At 31st December	24,527	24,527	—	—
高管股份每股面值人民幣1元	Senior management shares of RMB1 each				
於一月一日	At 1st January	44	44	44	44
股權分置改革及 高管離職淨減少	Net decrease as a result of Revised Share Reform and resign of senior management	(5)	(5)	—	—
於十二月三十一日	At 31st December	39	39	44	44

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34. 股本 (續)

34. SHARE CAPITAL (continued)

發行及實收資本	二零零六年 2006		二零零五年 2005	
	千股 Number of shares	人民幣千元 RMB'000	千股 Number of shares	人民幣千元 RMB'000
Issued and fully paid:	'000	'000	'000	'000
人民幣普通股 (「A股」)	RMB ordinary shares (A Shares)			
每股面值人民幣1元	of RMB1 each			
於一月一日	76,109	76,109	76,109	76,109
股權分置改革及高管離職 淨增加 (附註1)	26,659	26,659	—	—
於十二月三十一日	102,768	102,768	76,109	76,109
境外上市的外資股 (「H股」)	Overseas listed foreign invested shares (H Shares) of RMB1 each			
每股面值人民幣1元	At 1st January and 31st December			
於一月一日及十二月三十一日	150,000	150,000	150,000	150,000
	457,313	457,313	457,313	457,313

附註：

- 根據本公司股權分置的改革方案，本公司非流通A股股東—新華醫藥，為本公司之直接控股公司，向股權分置改革方案實施的股權登記日登記在冊的本公司流通A股股東每10股流通A股作出的3.5股對價安排。新華醫藥共需送出26,653,665股股票作為其獲得於A股市場流通權的條件。這些股份於各方面與其他股份享有同等權益。
- 於二零零六年十一月二十七日，本公司接到新華醫藥通知，其持有的本公司股份被司法拍賣，司法凍結及質押。上述新華醫藥持有的本公司股份被司法拍賣、司法凍結及質押是由於新華醫藥為其自身利益及其附屬公司及第三方利益而進行的各種給予新華醫藥的貸款而提供擔保及新華醫藥及其附屬公司(不包括本公司及本公司之附屬公司)的債務糾紛。因此，新華醫藥持有的本公司總計24,527,000股股份已經被司法拍賣過戶，新華醫藥持有的本公司股份總數已由過戶前的187,786,000股(佔本公司總股本的41.06%)減少為過戶後的163,259,000股(佔本公司總股本的35.70%)。

Notes :

- In accordance with the revised share reform of the Company for the conversion of non-tradable A shares to tradable A shares ("Revised Share Reform"), the holder of the non-tradable A shares, SXPGC, which was also an immediate holding company of the Company, offered as consideration, 3.5 shares of non-tradable A shares of the Company for every 10 tradable A shares held by A share shareholders as registered on the registration date in respect of the implementation of the Revised Share Reform. Upon the completion of the reform, SXPGC offered 26,653,665 non-tradable A shares as condition to have trading right in the A share market. These shares rank pari passu in all respects with other shares in issue.
- On 27th November 2006, the Company received a notice from SXPGC that shares held by SXPGC in the Company have been subject to judicial sale, judicial freezing and pledging. The said judicial sale, judicial freezing and pledging of shares held by SXPGC in the Company is due to various loans to SXPGC and guarantees given by SXPGC for its own benefits and the benefits of its subsidiaries and third parties, and financial disputes involving SXPGC and SXPGC subsidiaries (but excluding the Company and its subsidiaries). As a result, a total of 24,527,000 shares held by SXPGC in the Company have been sold via judicial auction, and the total shares held by SXPGC in the Company before and after the said sale has decreased from 187,786,000 shares (representing 41.06% of the total share capital of the Company) to 163,259,000 shares (representing 35.70% of the total share capital of the Company).

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35. 遞延負債

35. DEFERRED TAX LIABILITIES

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
於一月一日	At 1st January	4,046	153
在綜合損益賬扣除 (附註8)	Charge to consolidated income statement (note 8)	141	3,893
於十二月三十一日	At 31st December	<u>4,187</u>	<u>4,046</u>

本集團年內遞延稅項(資產)負債之變動如下:

The movements in deferred tax (assets) liabilities of the Group during the year are as follows:

	會計準備		稅損		其他		總計	
	Accounting provisions		Tax losses		Others		Total	
	二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
於一月一日								
At 1st January	3,098	2,839	—	(3,519)	948	833	4,046	153
本年度綜合損益賬扣除(計入)								
Charge (credit) to consolidated income statement for the year	263	259	—	3,519	(122)	115	141	3,893
於十二月三十一日								
At 31st December	<u>3,361</u>	<u>3,098</u>	<u>—</u>	<u>—</u>	<u>826</u>	<u>948</u>	<u>4,187</u>	<u>4,046</u>

36. 銀行借貸

36. BANKING FACILITIES

本集團之銀行信貸總額人民幣300,000,000元(二零零五年:人民幣420,000,000元)由直接控股公司擔保。於二零零六年十二月三十一日,本集團沒有任何銀行信貸(二零零五年:人民幣370,696,000元)。

The Group's banking facilities of RMB300,000,000 (2005: RMB420,000,000) were guaranteed by the immediate holding company. As at 31st December 2006, none of such banking facilities were utilised by the Group (2005: RMB370,696,000).

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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37. 出售附屬公司

於二零零五年四月二十二日，本集團按代價人民幣116,000元出售德州新華泰康大藥店所有權益。

出售下列各項之資產淨額：

37. DISPOSAL OF A SUBSIDIARY

On 22nd April 2005, the Group disposed of its entire interest in Dezhou Xinhua Tai Kang Drug Store Company Limited for a consideration of RMB116,000.

Net assets disposed of:

		2005 RMB'000
物業、廠房及設備	Property, plant and equipment	136
其他應收款項	Other receivable	23
存貨	Inventory	433
銀行存款及現金	Bank balance and cash	51
應付賬款	Trade payables	(67)
其他應付款項	Other payables	(9)
少數股東權益	Minority interests	(226)
		<u>341</u>
出售之虧損	Loss on disposal	(225)
代價	Total consideration	<u>116</u>
收款方式：	Satisfied by:	
現金支付	Cash	<u>116</u>
出售附屬公司之現金流入 淨額分析如下：	Net cash inflow arising on disposal:	
已收現金代價	Cash consideration	116
出售之銀行款項及現金	Bank balances and cash disposed of	(51)
出售附屬公司之現金及 現金等值物流入淨額	Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	<u>65</u>

截至二零零五年十二月三十一日止年度內出售之附屬公司對本集團之營業額及業績沒有重大影響。

The subsidiary disposed of during the year ended 31st December 2005 had no significant impact on the Group's turnover and results of the Group.

綜合財務報表附註 (續)

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38. 承擔

(a) 資本承擔

(i) 在建工程及物業、廠房及設備承擔

於年結日，本集團主要就有關建築物及生產設備的在建工程及購置物業、廠房及設備之未撥備資本性承擔如下：

已簽約但未撥備	Contracted but not provided
已批准但未簽約	Authorised but not contracted for

二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
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15,621	9,668
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143,270	133,300
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158,891	142,968
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(ii) 其他承擔

本集團於二零零六年十二月三十一日有關於投資於一聯營公司49%股權的已簽約但未撥備之資本性承擔之金額為人民幣7,440,000元。此聯營公司的主要業務為於中國生產及銷售化工產品(附註19)。(二零零五年：無)

(ii) Other commitments

The Group had capital commitment contracted but not provided for totalling RMB7,440,000 in respect of investment in an associate with 49% equity interest as at 31st December 2006. The associate is engaged in production and sale of chemical products in the PRC (Note 19) (2005: Nil).

綜合財務報表附註 (續)

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38. 承擔 (續)

(b) 經營租賃承擔

本集團作為承租人

本集團根據經營租約安排租賃其若干零售店。該等物業的租約之經磋商年期由一年至五年。

於年結日，本集團根據不可撤銷經營租約於下列到期日之將來最低應付租金承擔如下：

38. COMMITMENTS (continued)

(b) Commitments under operating leases

The Group as lessee

The Group leases certain of its retail shops under operating lease arrangements. Lease for properties are negotiated for a term ranging from one to five years.

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

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
一年內	Within one year	597	193
第二至第五年	In the second to fifth year inclusive	176	132
五年後	Over five years	81	8
		<u>854</u>	<u>333</u>

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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39. 有關連人士交易

- (a) 除上文附註20,25,26及32所披露外，本集團在其他正常業務範圍內進行之重大有關連人士交易摘要如下：

39. RELATED PARTY TRANSACTIONS

- (a) Apart from those disclosed in notes 20, 25, 26 and 32 above, the other significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

		二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
新華醫藥：	SXPGC:		
— 支付許可商標 (附註1)	— Payment of annual trademark licence fee (Note 1)	1,000	200
— 租金支出	— Rental expense	500	—
— 購買物業、 廠房及設備	— Purchase of property, plant and equipment	1,499	—
同級附屬公司：	Fellow subsidiaries:		
— 銷售水電汽 及原材料	— Sale of water, electricity, steam and raw materials	13,160	19,170
— 採購原材料	— Purchase of raw materials	72,293	65,208
— 租金收入	— Rental income	1,438	1,506
— 支付勞務 及其他服務	— Payment of labour and other services	—	143
聯營公司：	Associates:		
— 銷售水電汽	— Sale of water, electricity and steam	6,766	367
— 採購原材料	— Purchase of raw materials	6,421	4,568
— 利息收入	— Interest income received	270	80
— 銷售技術	— Sale of technical know-how	2,005	—
— 銷售在製品	— Sale of work-in-progress	4,759	—
— 出售物業、 廠房及設備	— Sale of property, plant and equipment	1,708	—

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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39. 有關連人士交易 (續)

39. RELATED PARTY TRANSACTIONS

(continued)

附註：

Notes:

1. 在一九九六年十二月七日，本集團獲授予獨佔使用權，就其現有及將來於中國及海外的產品，使用新華商標（「商標」），首年年費為人民幣600,000元，其後每年遞增人民幣100,000元，直至年費達到上限人民幣1,100,000元，此後年費將維持不變，直至協議予以終止。協議條款須於商標有效期間（至二零一三年二月二十八日）持續生效，並視乎期後商標協議條款有否更新。本集團截至二零零六年十二月三十一日止年度支付的年費為人民幣1,000,000元（二零零五年：人民幣200,000元），因為直接控股公司已豁免收取根據商標許可協議的部份商標許可費。
2. 本集團現時由中國政府透過旗下眾多機構、成員或組織（統稱「國有企業」）直接或間接擁有或控制的經濟環境下經營業務。截止二零零六年十二月三十一日止年度，本集團除與其他公司外亦與國有企業有銷售及採購藥品及原材料之交易。本公司之董事認為此等與國有企業之交易均為正常的業務往來，而中國政府對此等交易並沒有直接參與或擁有重大控制權。對此等與國有企業之關係，本公司董事認為此等交易並不形成重大關聯交易而須獨立披露。

1. On 7th December 1996, the Group was granted the exclusive right to use the trademark "Xinhua" ("Trademark") by XSPGC for its existing and future products in and outside the PRC at an initial annual fee of RMB600,000 increasing at the rate of an extra RMB100,000 per year until the annual fee reaches the cap amount of RMB1,100,000, which shall stay as such until the agreement is terminated. The terms of the agreement shall continue to have effect during the validity period of the Trademark, being 28th February 2013, subject to further renewal of the registration of the Trademark. During the year ended 31st December 2006, the annual fee paid by the Group was RMB1,000,000 (2005: RMB200,000) as the immediate holding company has waived part of the trademark licence fees under the trademark licence agreement.
2. The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "State-owned Enterprises"). During the year ended 31st December 2006, the Group had transactions with State-owned Enterprises including, but not limited to, sales of pharmaceutical products and purchases of raw materials. The directors of the Company consider that transactions with other State-owned Enterprises are activities in the ordinary course of business, and that dealings of the Group have not been significantly controlled or owned by the PRC government. The Group has also established pricing policies for products and such pricing policies do not depend on whether or not the customers are State-owned Enterprises. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions is a material related party transaction that requires separate disclosure.

綜合財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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39. 有關連人士交易 (續)

(b) 截至二零零六年十二月三十一日止年度，本集團已停止為直接控股公司代墊費用(二零零五年：人民幣24,602,000元)。於二零零六年十二月三十一日，本集團沒有應收直接控股公司的相關代墊費用(二零零五年：人民幣9,507,000元)。本公司董事認為直接控股公司代墊費用是無抵押、免息已於二零零六年全數還清。

(c) 於二零零六年十二月三十一日，本集團之最終控股公司為本集團之銀行貸款合共人民幣180,000,000元提供擔保。

(d) 主要管理人員之報酬

本年度董事及其他主要管理人員之薪酬列明如下：

39. RELATED PARTY TRANSACTIONS

(continued)

(b) During the year ended 31st December 2006, the Group ceased to pay any expenses on behalf of its immediate holding company (2005 : RMB24,602,000), which were charged back to the immediate holding company on a cost reimbursement basis. As at 31st December 2006, there is no amount due from the immediate holding company in connection with such transactions (2005 : RMB9,507,000). In the opinion of the directors of the Company, the amount is unsecured, interest-free and was fully settled in 2006.

(c) At 31st December 2006, the ultimate holding company provide guarantee in respect of Group's bank loans amounted to RMB180,000,000.

(d) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	二零零六年 2006 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000
短期福利 Short-term benefits	2,592	1,932
僱員結束服務後之福利 Post-employment benefits	168	148
	<u>2,760</u>	<u>2,080</u>

董事及主要管理人員之薪酬由行政資源及薪酬委員會根據個人表現及市場趨勢釐定。

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

綜合財務報表附註 (續)

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40. 附屬公司

於二零零六年十二月三十一日之附屬公司如下：

40. SUBSIDIARIES

Details of Company's subsidiaries as at 31st December 2006 are as follows:

附屬公司名稱	註冊成立 國家及法定地位	註冊資本 詳情	實際 擁有權益	主要業務及經營地點
Name of subsidiary	Place of incorporation and kind of legal entity	Issued and fully paid share capital/ registered capital	Effective interest held	Principal activities and place of operation
東營新華大藥店有限公司 Dongying Xinhua Drug Store Company Limited	中國，有限責任公司 PRC, limited company	人民幣900,000元 RMB900,000	46.64% 46.64%	於中國經營藥物及醫藥用品零售 Retail sales of medicine and medical products in the PRC
山東新華製藥(歐洲)有限公司 Shandong Xinhua Pharmaceutical (Europe) GmbH	德國，有限責任公司 Germany, limited company	歐元650,000元 EUR650,000	76.90% 76.90%	於歐洲經營藥物及醫藥用品貿易 Trading of medicine and medical products in Europe
山東新華醫藥貿易有限公司 Shandong Xinhua Medical Trading Company Limited	中國，有限責任公司 PRC, limited company	人民幣48,498,900元 RMB48,498,900	99.76% 99.76%	於中國經營藥物及醫藥用品貿易 Trading of medicine and medical products in the PRC
濰博新華大藥店(連鎖)有限公司 Zibo Xinhua Pharmacy (Chain) Company Limited	中國，有限責任公司 PRC, limited company	人民幣2,000,000元 RMB2,000,000	88% 88%	於中國經營藥物及醫藥用品零售 Retail sales of medicine and medical products in the PRC
濰博新華醫藥設計院有限公司 Zibo Xinhua Pharmaceutical Design Institute Company Limited	中國，有限責任公司 PRC, limited company	人民幣2,000,000元 RMB2,000,000	90% 90%	於中國經營醫藥工程的設計 Design of medical production projects in the PRC
濰博新華三和化工有限公司 Zibo Xinhua Sanhe Chemical & Industrial Company Limited	中國，有限責任公司 PRC, limited company	美元500,000元 US\$500,000	70% 70%	於中國生產醫藥中間體 Production of medical intermediates in the PRC
濰博新華中西製藥有限責任公司 Zibo Xinhua-Eastwest Pharmaceutical Company Limited	中國，有限責任公司 PRC, limited company	美元1,500,000元 US\$1,500,000	75% 75%	於中國生產及銷售聚卡波非鈣原料藥 Production and sale of calcium polycarbophil materials in the PRC
山東新華製藥進出口有限責任公司 Shandong Xinhua Pharmaceutical Import & Export Company Limited	中國，有限責任公司 PRC, limited company	人民幣3,000,000元 RMB3,000,000	99.52% 99.52%	於中國進出口藥品及藥物技術 Import and export of chemical products and pharmaceutical technical know-how in the PRC