

綜合損益表

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
(截至二零零四年十二月三十一日止年度)
(FOR THE YEAR ENDED 31ST DECEMBER 2004)

			二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
		附註 Note		
營業額	Turnover	2	1,524,409	1,341,788
產品銷售成本	Cost of goods sold		(1,267,109)	(1,027,855)
營業淨利潤	Gross profit		257,300	313,933
其他收入	Other revenues	2	11,617	8,807
銷售費用	Selling expenses		(156,367)	(135,813)
管理費用	Administrative expenses		(123,502)	(110,733)
其他經營費用	Other operating expenses		(24,078)	(269)
經營(虧損)/盈利	Operating (loss)/profit	3	(35,030)	75,925
財務費用	Finance costs	4	(15,384)	(14,018)
應佔聯營公司虧損	Share of loss of an associated company		(1,938)	—
除稅前(虧損)/盈利	(Loss)/profit before taxation		(52,352)	61,907
稅項	Taxation	5	(1,119)	(10,200)
除稅後(虧損)/盈利	(Loss)/profit after taxation		(53,471)	51,707
少數股東權益	Minority interests		986	87
股東應佔(虧損)/盈利	(Loss)/profit attributable to shareholders	6	(52,485)	51,794
股息	Dividends	7	—	18,293
每股(虧損)/盈利	(Loss)/earnings per share	8	人民幣元 (RMB0.115)	人民幣元RMB0.113

綜合資產負債表

CONSOLIDATED BALANCE SHEET

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
(二零零四年十二月三十一日)
(AS AT 31ST DECEMBER 2004)

		附註 Note	二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
非流動資產	Non-current assets			
技術	Technical know-how	11	3,440	4,220
物業、廠房及設備	Property, plant and equipment	12	768,745	769,253
在建工程	Construction-in-progress	13	221,164	130,803
聯營公司權益	Interest in an associated company	15	22,893	24,831
投資	Investment securities	16	171,833	55,277
			1,188,075	984,384
流動資產	Current assets			
存貨	Inventories	17	300,253	250,538
應收賬款及票據	Trade and bills receivables	18	324,338	300,217
其他應收款項、按金 及預付款項	Other receivables, deposits and prepayments		61,471	53,326
可退回出口增值稅款	Export value-added-tax recoverable		2,814	30,946
應收直接 控股公司款項	Amount due from immediate holding company	19	41,467	34,341
買賣投資	Trading investments	20	58,551	34,751
可退回所得稅款	Income tax recoverable		538	3,576
現金及銀行存款結餘	Cash and bank balances		337,933	413,986
			1,127,365	1,121,681
流動負債	Current liabilities			
應付賬款及票據	Trade and bills payables	21	307,769	237,547
其他應付款項 及應計費用	Other payables and accrued charges		77,627	47,235
短期銀行貸款， 無抵押	Short-term bank loans - unsecured	25	306,285	174,156
長期銀行貸款之一年 內應償還額，無抵押	Current portion of long-term bank loans - unsecured	25	250,000	—
			941,681	458,938
流動資產淨值	Net current assets		185,684	662,743
總資產減流動負債	Total assets less current liabilities		1,373,759	1,647,127
資本來源：	Financed by:			
股本	Share capital	22	457,313	457,313
儲備	Reserves	23	912,009	963,170
擬派股息	Proposed final dividend	23	—	18,293
股東權益	Shareholders' funds		1,369,322	1,438,776
少數股東權益	Minority interests		4,284	3,968
非流動負債	Non-current liabilities			
遞延稅項	Deferred taxation	24	153	4,383
長期銀行貸款， 無抵押	Long term bank loans - unsecured	25	—	200,000
			1,373,759	1,647,127

董事會代表

On behalf of the Board

賀端湜
董事

郭琴
董事

He Duanshi
Director

Guo Qin
Director

資產負債表

BALANCE SHEET

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

(二零零四年十二月三十一日)

(AS AT 31ST DECEMBER 2004)

		附註 Note	二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
非流動資產	Non-current assets			
技術	Technical know-how	11	3,440	4,220
物業、廠房及設備	Property, plant and equipment	12	767,209	767,405
在建工程	Construction-in-progress	13	221,164	130,803
附屬公司投資	Investments in subsidiaries	14	14,443	11,054
聯營公司權益	Interest in an associated company	15	24,831	24,831
投資	Investment securities	16	171,777	55,277
			1,202,864	993,590
流動資產	Current assets			
存貨	Inventories	17	277,130	244,114
應收賬款及票據	Trade and bills receivables	18	311,879	300,167
其他應收款項、 按金及預付款項	Other receivables, deposits and prepayments		87,787	54,087
可退回出口增值稅稅款	Export value-added-tax recoverable		2,814	30,946
應收直接控股 公司款項	Amount due from immediate holding company	19	41,467	34,341
買賣投資	Trading investments	20	58,551	34,751
可退回所得稅款	Income tax recoverable		538	3,576
現金及銀行存款結餘	Cash and bank balances		323,546	399,368
			1,103,712	1,101,350
流動負債	Current liabilities			
應付賬款及票據	Trade and bills payables	21	301,043	232,568
其他應付款項 及應計費用	Other payables and accrued charges		81,055	46,651
短期銀行貸款， 無抵押	Short-term bank loans - unsecured	25	306,285	174,156
長期銀行貸款之 一年內應償還額， 無抵押	Current portion of long-term bank loans - unsecured	25	250,000	—
			938,383	453,375
流動資產淨值	Net current assets		165,329	647,975
總資產減流動負債	Total assets less current liabilities		1,368,193	1,641,565
資本來源：	Financed by:			
股本	Share capital	22	457,313	457,313
儲備	Reserves	23	910,727	961,576
擬派股息	Proposed final dividend	23	—	18,293
股東權益	Shareholders' fund		1,368,040	1,437,182
非流動負債	Non-current liabilities			
遞延稅項	Deferred taxation	24	153	4,383
長期銀行貸款， 無抵押	Long-term bank loans - unsecured	25	—	200,000
			1,368,193	1,641,565

董事會代表

On behalf of the Board

賀端湜

郭琴

He Duanshi

Guo Qin

董事

董事

Director

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製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)
(截至二零零四年十二月三十一日止年度)
(FOR THE YEAR ENDED 31ST DECEMBER 2004)

			二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
	附註 Note			
於一月一日之總權益， 如前呈報	Total equity as at 1st January, as previously reported		1,438,776	1,414,433
按會計準則第12號 (經修訂)重列	Effect on adoption of SSAP12 (revised)		—	(756)
於一月一日， 經重列	As at 1st January, as restated		1,438,776	1,413,677
股息	Dividends	23	(18,293)	(27,439)
本年度(虧損)/盈利	(Loss)/profit for the year	23	(52,485)	51,794
換算海外附屬公司 之匯兌差額	Exchange differences	23	1,324	744
於十二月三十一日 之總權益	Total equity as at 31st December		1,369,322	1,438,776

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製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

(截至二零零四年十二月三十一日止年度)

(FOR THE YEAR ENDED 31ST DECEMBER 2004)

		附註 Note	二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
經營業務之現金淨額	Net cash generated from operations	26(a)	107,961	218,660
支付所得稅款	PRC income tax paid		(2,311)	(6,196)
經營活動之 現金流入淨額	Net cash inflow from operating activities		105,650	212,464
投資活動	Investing activities			
購置技術	Purchase of technical know-how		—	(5,000)
購置物業、廠房 及設備	Purchase of property, plant and equipment		(25,205)	(30,326)
出售物業、廠房 及設備	Proceeds on disposal of property, plant and equipment		4,348	2,810
支付在建工程款項	Payment for construction-in-progress		(156,849)	(214,401)
收購聯營公司	Investment in an associated company		—	(24,831)
支付短期投資	Payment for trading investments		(70,000)	(31,178)
贖回短期投資	Disposal of trading investments		39,099	—
支付長期投資	Payment for investment securities		(130,056)	—
收取銀行利息	Bank interest received		5,212	5,950
收取投資利息	Interest income received from an investment security		2,817	—
收取投資股息	Dividend income received from investments		467	781
投資活動之 現金流出淨額	Net cash outflow from investing activities		(330,167)	(296,195)
理財活動前之 現金流出淨額	Net cash outflow before financing		(224,517)	(83,731)
理財活動	Financing activities	26(b)		
新借銀行貸款	New bank loans		232,129	404,156
償還銀行貸款	Repayment of bank loans		(50,000)	(370,000)
少數股東 投資款	Investments from a minority shareholder		12	1,551
派發股息	Dividends paid		(18,293)	(27,439)
支付利息	Interest paid		(15,384)	(14,018)
理財之現金流入/ (流出)淨額	Net cash inflow/ (outflow) from financing		148,464	(5,750)
現金及現金 等價物減少	Decrease in cash and cash equivalents		(76,053)	(89,481)
一月一日之現金及 現金等價物	Cash and cash equivalents at 1st January		413,986	503,467
十二月三十一日之 現金及現金等價物	Cash and cash equivalents at 31st December		337,933	413,986
現金及現金等 價物結餘分析：	Analysis of the balances of cash and cash equivalents:			
現金及銀行存款結餘	Cash and bank balances		337,933	413,986

賬目附註

NOTES TO THE ACCOUNTS

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策

編製此等賬目所採納之主要會計政策列載如下：

(a) 編製基準

本賬目乃按照香港公認會計原則及香港會計師公會頒佈之標準編製。賬目並依據歷史成本常規法編製，惟若干物業、廠房及設備乃按公平值列賬（見下文會計政策）。

香港會計師公會已頒佈若干全新及經修訂的香港財務報告準則以及香港會計準則（「新香港財務報告準則」），並於二零零五年一月一日或其後開始的會計年度生效。本集團無須採納新香港財務報告準則以編製截止二零零四年十二月三十一日止年度的帳目，但已就該等新香港財務報告準則所構成之影響進行評估，就目前情況而言尚未能指出該等新香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

1 Principal accounting policies

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, property, plant and equipment are stated at valuation.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(b) 集團賬目

(i) 綜合賬目

本綜合賬目包括山東新華製藥股份有限公司(「本公司」)及其附屬公司(「本集團」)結算截至十二月三十一日止之賬目。附屬公司指本公司直接或間接控制過半數投票權；有權控制財政及營運決策；委任或撤換董事會大多數成員；或在董事會會議上有大多數投票權之公司。所有集團內公司間之重大交易及結餘已在綜合賬目中對銷。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債報表內，附屬公司的投資以成本值扣除減值準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

1 Principal accounting policies (continued)

(b) Group accounting

(i) Consolidation

The consolidated accounts include the accounts of Shandong Xinhua Pharmaceutical Company Limited (the "Company") and its subsidiaries (the "Group") made up to 31st December. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interest of shareholders outside the Group in the operating results and net assets of the subsidiaries.

In the Company's balance sheet the investment in the subsidiaries are stated at cost less provision for impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(b) 集團賬目 (續)

(ii) 聯營公司

聯營公司為附屬公司或合營企業以外，集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益賬包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值。

在本公司之資產負債表內，聯營公司之投資以成本值減去減值準備列賬。本公司聯營公司之業績按已收及應收股息入賬。

當聯營公司之投資賬面值已全數撇銷，便不再採用權益會計法，除非集團就該聯營公司已產生承擔或有擔保之承擔。

1 Principal accounting policies (continued)

(b) Group accounting (continued)

(ii) Associated companies

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies.

In the company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the company on the basis of dividends received and receivable.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations of guaranteed obligations in respect of the associated company.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(c) 無形資產

(i) 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。

(ii) 研究及開發成本

研究成本在發生時作為費用支銷。除非能夠證明開發中產品技術之可行性及有意完成該產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而能賺取盈利，開發成本在發生時一律作為費用支銷。已入賬為支出之開發成本不會在往後期間確認為資產。

(d) 物業、廠房及設備

土地使用權按重估值減累計攤銷及累計減值虧損列賬，而攤銷方法乃按土地使用權年限以直線基準計算。如有跡象顯示出現減值，其賬面值均需評估及即時撇減至可收回價值。

1 Principal accounting policies (continued)

(c) Intangible assets

(i) 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.

(ii) Research and development costs

Research costs are expensed as incurred. Costs incurred in development projects relating to the design and testing of new or improved products are expensed unless the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(d) Property, plant and equipment

Land use rights are stated at revalued amount less subsequent accumulated amortisation and accumulated impairment losses and are amortised over the land use rights period on a straight-line basis. Where an indication of impairment exists, the carrying amount is assessed and written off immediately to its recoverable amount.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

其他固定資產按重估值減累計折舊及累計減值虧損列賬。其他固定資產折舊以直線法於其估計可使用年限內將其成本值減累積減值虧損撇銷。固定資產之估計可使用年期如下：

建築物	20年
廠房、機器及設備	5-10年
汽車	5年

根據本集團董事會於本年度通過的一項決議案，管理層在考慮過現時的營商環境、狀況及有關資產的預期經濟利益模式後，重新評估物業、廠房及設備的殘值，並批准修訂其會計估計。有關各類資產經修訂後的殘值為原值的5%。變動的所有影響為年內的折舊減少了人民幣9,102,000元，而本集團的股東應佔虧損年內減少人民幣9,102,000元。

資產改良成本支出均資本化，並按其對本集團之預計可用年期折舊。

出售物業、廠房及設備之收益或虧損指出售所得收入淨額與資產賬面值之差額，並於損益表入賬。任何屬於有關資產之重估儲備結餘均轉撥至保留盈利，並列作儲備變動。

1 Principal accounting policies (continued)

(d) Property, plant and equipment (continued)

Other fixed assets are stated at revalued amount less accumulated depreciation and accumulated impairment losses and are depreciated at rates sufficient to write off their revalued amount less accumulated impairment losses over their estimated useful lives on a straight-line basis. The estimated useful lives of the fixed assets are as follows:

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

Pursuant to a resolution passed by the board of directors of the Group, during the year, the directors reassessed the estimated residual values of individual items of property, plant and equipment, after taking into account the current business environment, condition and the expected pattern of economic benefits from the respective assets, and approved to revise the accounting estimates accordingly. The revised accounting estimates on the residual value of an item of property, plant and equipment is 5% of the original cost of the asset. The aggregate effect of the changes is that depreciation charge for the year has been decreased by approximately RMB9,102,000 and the Group's loss attributable to shareholders for the year has been decreased by approximately RMB9,102,000.

Improvements are capitalised and depreciated over their expected useful lives to the Group.

The gain or loss on disposal of property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(e) 在建工程

在建工程是以成本減累計減值虧損列賬。成本包括所有購買或建造之建築物、廠房及機器的一切直接及間接成本，以及投產日期前之興建、安裝及測試期間發生之有關借款的利息支出。廠房如能持續生產具商業數量的可銷售質量產品，則視為已經投產。

(f) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。租賃款額在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益賬中支銷。

1 Principal accounting policies (continued)

(e) Construction-in-progress

Construction-in-progress is stated at cost less accumulated impairment losses. Cost comprises all direct and indirect costs of acquisition or construction of buildings and plant and machinery as well as interest expenses on the related funds borrowed during the construction, installation and testing periods prior to the commissioning date. A plant is considered to be commissioned when it is capable of producing saleable quality output in commercial quantities on an ongoing basis.

(f) Operating lease

Leases where substantially all the risk and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(g) 證券投資

(i) 投資證券

投資證券乃按成本值減任何減值準備入賬。

個別投資之賬面值在每年結算日均作檢討，以評估其公平值是否已下跌至低於其賬面值。假如下跌並非短期性，則有關投資之賬面值須削減至其公平值。減值虧損在損益賬中列作開支。當引致撇減或撤銷之情況及事件不再存在，而有可信證據顯示新的情況和事件會於可預見將來持續，則將此項減值虧損撥回損益賬。

(ii) 買賣投資

短期投資按公平值列帳。每年結算日，買賣短期投資之公平值變動而引致之未變盈虧淨額均在損益表記賬。出售買賣短期投資之盈利或虧損指出售所得款淨額賬面值之差額，並在產生時於損益表記賬。

1 Principal accounting policies (continued)

(g) Investments in securities

(i) Investment securities

Investment securities are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investments will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to the profit and loss account when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(ii) Trading investments

Trading investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of trading investments are recognised in the profit and loss account. Profits or losses on disposal of trading investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(h) 存貨

存貨包括製成品及在製品，除耗用品外，存貨按成本值與可變現淨值二者之較低者入賬。成本值以加權平均基準計算，並包括原材料、直接人工及所有生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。耗用品按成本減陳舊存貨的準備後列賬。

(i) 應收賬款

凡被視為呆賬之應收賬款，均計提準備。在資產負債表內列賬之應收賬款已扣除有關之準備金。

(j) 資產減值

在每年結算日，均須研究集團內部及外界所獲得的資訊以評估資產是否出現耗蝕。如有跡象顯示資產出現耗蝕，則估計資產之可收回價值，及在合適情況下將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在損益表入賬，但假若資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，此等虧損則當作重估減值。

1 Principal accounting policies (continued)

(h) Inventories

Inventories comprise stocks and work-in-progress and, other than consumables, inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour and an appropriate proportion of production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses. Consumables are stated at cost less provision for obsolescence.

(i) Trade receivables

Provision is made against trade receivables to the extent that they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

(j) Impairment of assets

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

1 主要會計政策 (續)**(k) 遞延稅項**

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司及聯營公司之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

(l) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之匯兌盈虧均計入損益賬。

有關為購置及建造物業、廠房及設備所借入之外幣借款的外匯換算差額，當被視作利息成本之調整時作資本化處理。其他換算差額均於損益賬內處理。

附屬公司及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益賬則按平均匯率折算。由此產生之匯兌盈虧作為儲備變動入賬。

1 Principal accounting policies (continued)**(k) Deferred taxation**

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

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

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(l) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

Foreign currency translation differences relating to fund borrowed for the acquisition and construction of property, plant and equipment are capitalised to the extent that they are regarded as an adjustment to interest cost. All other exchange differences are dealt with in the profit and loss account.

The balance sheets of subsidiaries and associated companies expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(m) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在綜合現金流量表中，現金及現金等價物包括現金及銀行存款結餘及銀行通知存款。

(n) 撥備

當本集團因已發生的事件須承擔現有之法律性或推定性責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。當本集團預計撥備款可獲償付，則將償付款確認為一項獨立資產，惟只能在償付款可實質地確定時確認。

(o) 或然負債

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

1 Principal accounting policies (continued)

(m) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash and bank balances and deposits held at call with banks.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(p) 收益確認

- (i) 銷貨收益在擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及所有權轉讓時。
- (ii) 利息收入依據未償還本金額及適用利率按時間比例確認。
- (iii) 股息收入在收取股息之權利確定時確認。
- (iv) 經營租賃之租金收入按直線法確認。

(q) 政府補貼

當本集團能夠合理地保證會符合附帶條件以及補貼將可收取時，政府補貼初步確認為遞延收入。與收入有關之補貼在損益賬中按擬補償之成本以系統方式記賬。與資產有關之補貼在損益賬中按資產可用年期以系統方式記賬。

(r) 退休福利

本集團參與地方政府設立的退休計劃，每年之供款額為本集團在過去一年付予僱員之薪金、花紅及津貼總額的23% (二零零三年: 23%)。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。支付指定退休計劃的費用於產生時自損益賬中扣除。

1 Principal accounting policies (continued)

(p) Revenue recognition

- (i) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to the customers and the title has passed.
- (ii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.
- (iii) Dividend income is recognised when the right to receive payment is established.
- (iv) Operating lease rental income is recognised on a straight-line basis.

(q) Government grants

A government grant is initially recognised as deferred income, when there is reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received. Grants relating to income are recognised in the profit and loss account on a systematic basis to match with the related costs which they are intended to compensate.

(r) Retirement benefits

The Group participates in a local municipal government retirement scheme whereby it is required to pay annual contributions at the rate of 23% (2003: 23%) of the total salaries, bonuses and allowances paid to the Group's staff in the previous year. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired staff of the Group. Contributions to this retirement scheme are charged to the profit and loss account as and when incurred.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

1 主要會計政策 (續)

(s) 分部報告

按照本集團之內部財務報告，本集團已決定將業務分部資料作為主要報告形式，而地區分佈資料則以次要報告形式呈列。

未分配成本指集團整體性開支。分部資產主要包括物業、廠房及設備、在建工程、存貨、應收款項、可退回出口增值稅款及經營現金而不包括可退回所得稅款。分部負債指經營負債而不包括稅項。資本性支出包括購入物業、廠房及設備及支付在建工程的款項。

至於地區分部報告，銷售額乃按照客戶所在國家計算。

1 Principal accounting policies (continued)

(s) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, construction-in-progress, investment securities, inventories, receivables, trading investments, export value added tax recoverable, operating cash and exclude items such as interest in an associated company and income tax recoverable. Segment liabilities comprise operating liabilities and exclude items such as taxation payable. Capital expenditure comprises additions to property, plant and equipment and construction-in-progress.

In respect of geographical segment reporting, sales are based on the country in which the customers are located.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

2 營業額、收益及分部資料

本集團主要從事開發、製造及銷售藥品，包括化學原料藥、製劑(如片劑及針劑)、化工及其他產品。本年已確認收入列載如下：

2 Turnover, revenue and segmental information

The Group is principally engaged in the development, production and sales of pharmaceutical products including bulk pharmaceuticals, preparations (e.g. tablets and injections), chemicals and other products. Revenues recognised during the year are as follows:

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
營業額 - 產品銷售收入	Turnover - sales of goods	1,524,409	1,341,788
其他收入	Other revenues		
銀行利息收入	Bank interest income	5,212	5,950
投資利息收入	Interest income from an investment security	2,817	—
租金收入	Rental income	1,559	2,026
廢料銷售收入	Sales of scrap materials	1,562	28
股息收入	Dividend income from investments	467	781
技術轉讓費收入	Technical service income	—	22
		11,617	8,807
總收入	Total revenues	1,536,026	1,350,595

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

2 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

		二零零四年 2004			二零零三年 2003		
		藥品業務 Pharm - aceutical business 人民幣千元 RMB'000	其他 Other operations 人民幣千元 RMB'000	集團 Group 人民幣千元 RMB'000	藥品業務 Pharm - aceutical business 人民幣千元 RMB'000	其他 Other operations 人民幣千元 RMB'000	集團 Group 人民幣千元 RMB'000
分部收入	Segment revenues	<u>1,532,742</u>	<u>3,284</u>	<u>1,536,026</u>	<u>1,349,814</u>	<u>781</u>	<u>1,350,595</u>
分部業績	Segment results	<u>(17,713)</u>	<u>(17,317)</u>	<u>(35,030)</u>	<u>71,571</u>	<u>4,354</u>	<u>75,925</u>
財務費用	Finance costs			<u>(15,384)</u>			<u>(14,018)</u>
應佔聯營 公司虧損	Share of loss of an associated company			<u>(1,938)</u>			<u>—</u>
除稅前(虧損)/ 盈利	(Loss)/profit before taxation			<u>(52,352)</u>			<u>61,907</u>
稅項	Taxation			<u>(1,119)</u>			<u>(10,200)</u>
除稅後(虧損)/ 盈利	(Loss)/profit after taxation			<u>(53,471)</u>			<u>51,707</u>
少數股東權益	Minority interests			<u>986</u>			<u>87</u>
股東應佔 (虧損)/盈利	(Loss)/profit attributable to shareholders			<u>(52,485)</u>			<u>51,794</u>
分部資產	Segment assets	<u>2,056,952</u>	<u>235,057</u>	<u>2,292,009</u>	<u>1,996,191</u>	<u>81,467</u>	<u>2,077,658</u>
聯營公司權益	Associated company	<u>22,893</u>	<u>—</u>	<u>22,893</u>	<u>24,831</u>	<u>—</u>	<u>24,831</u>
未分配資產	Unallocated assets	<u>—</u>	<u>—</u>	<u>538</u>	<u>—</u>	<u>—</u>	<u>3,576</u>
總資產	Total assets			<u>2,315,440</u>			<u>2,106,065</u>
分部負債	Segment liabilities	<u>(941,681)</u>	<u>—</u>	<u>(941,681)</u>	<u>(658,938)</u>	<u>—</u>	<u>(658,938)</u>
未分配負債	Unallocated liabilities	<u>—</u>	<u>—</u>	<u>(153)</u>	<u>—</u>	<u>—</u>	<u>(4,383)</u>
總負債	Total liabilities			<u>(941,834)</u>			<u>(663,321)</u>
資本開支	Capital expenditure	<u>182,054</u>	<u>—</u>	<u>182,054</u>	<u>249,727</u>	<u>—</u>	<u>249,727</u>
折舊	Depreciation	<u>89,989</u>	<u>—</u>	<u>89,989</u>	<u>79,733</u>	<u>—</u>	<u>79,733</u>

2 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

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

2 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		分部業績	
		Segment revenues		Segment results	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
中國(包括香港)	PRC (including Hong Kong)	997,700	920,673	169,945	242,910
歐洲	Europe	214,827	185,065	27,626	37,208
美洲	Americas	219,917	160,921	20,473	25,785
其他國家	Others	103,582	83,936	27,628	20,664
		<u>1,536,026</u>	<u>1,350,595</u>	<u>245,672</u>	<u>326,567</u>
未分配成本	Unallocated costs			(280,702)	(250,642)
營業(虧損)/利潤	Operating (loss)/profit			<u>(35,030)</u>	<u>75,925</u>

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。

Over 99% of the Group's assets are located in the People's Republic of China ("PRC") and therefore the analysis of segment assets and capital expenditure is not presented.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

3 經營(虧損)/盈利

經營(虧損)/盈利已計入及扣除下列項目：

3 Operating (loss)/profit

Operating (loss)/profit is stated after crediting and charging the following:

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
計入	Crediting		
出售物業、廠房及設備收益	Gain on disposal of property, plant and equipment	2,136	1,303
買賣投資變現盈利	Realised gain on trading investments	4,348	—
買賣投資未變現盈利	Unrealised gain on trading investments	—	3,573
撥回滯銷及陳舊存貨撇賬	Write back of provision for slow-moving and obsolete inventories	—	80
扣除	Charging		
廣告及宣傳費用	Advertising and promotion expenses	72,228	84,895
技術攤銷	Amortisation of technical know-how	780	780
核數師酬金	Auditors' remuneration	1,328	1,238
物業、廠房及設備折舊	Depreciation	89,989	79,733
匯兌淨損失	Net exchange loss	1,319	1,191
土地及樓宇經營租賃	Operating lease rentals on land and buildings	1,114	1,319
呆壞賬準備	Provision for bad and doubtful debts	15,993	2,937
長期投資	Provision for impairment in		
跌價撥備(附註16)	an investment security (note 16)	12,000	—
維修及保養費用	Repairs and maintenance expenses	28,985	25,541
研究及開發成本	Research and development costs	9,607	12,307
員工成本(不包括董事及監事酬金)(附註9)	Staff costs (excluding directors' and supervisors' emoluments) (note 9)	122,731	127,926
買賣投資未變現虧損	Unrealised loss on trading investments	11,449	—
將存貨撇減至可變現淨值	Write-down of inventories to net realisable value	121	—
長期投資撇銷	Write-off of an investment security	1,500	—

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

4 財務費用

4 Finance costs

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
銀行貸款利息	Interest on bank loans	15,384	14,824
減：政府補貼	Less: government subsidies	—	(806)
		<u>15,384</u>	<u>14,018</u>

5 稅項

5 Taxation

於綜合損益表內支銷之稅項如下：

The amount of taxation charged to the consolidated profit and loss account represents:

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
中國企業所得稅	PRC enterprise income tax		
— 本期(註(a))	— current (note (a))	1,865	8,382
— 以前年度少提的準備	— under-provision in prior year	3,484	—
遞延稅項(註24)	Deferred taxation (note 24)	<u>(4,230)</u>	<u>1,818</u>
		<u>1,119</u>	<u>10,200</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

5 稅項 (續)

- (a) 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。

本集團之其他子公司就二零零四年度及二零零三年度按應課稅收入的33%繳納中國企業所得稅。

- (b) 本集團截至二零零四及二零零三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。

5 Taxation (continued)

- (a) The Company and a subsidiary are located in the high-technology economic zone of Zibo City and are entitled to preferential PRC enterprise income tax rate of 15% from year 2002, according to Guo Shui Fa No. 151 "The notice of applying favourable tax policies for the new and high technology companies" issued by State Administration of Taxation. The companies have obtained the relevant approvals from the local tax bureau. From year 2004, 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 at the rate of 33% on their taxable income for the years ended 31st December 2004 and 2003.

- (b) No provision for Hong Kong profits tax has been made in the accounts as the Group has no income assessable to Hong Kong profits tax for the years ended 31st December 2004 and 2003.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

5 稅項 (續)

- (c) 本集團有關除稅前(虧損)/溢利之稅項與假若採用中國之稅率而計算之理論稅額之差額如下：

5 Taxation (continued)

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

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
除稅前(虧損)/溢利	(Loss)/profit before taxation	(52,352)	61,907
按稅率33%(二零零三年： 33%)計算之稅項	Calculated at a tax rate of 33% (2003: 33%)	(17,276)	20,429
中國不同稅率之影響	Effect of preferential tax rate in the PRC	(2,165)	(11,143)
非應稅收入	Income not subject to taxation	(235)	—
不可扣稅之支出	Expenses not deductible for tax purposes	10,970	914
未確認稅項虧損	Unrecognised tax losses	1,081	—
以前年度少提的準備	Under-provision in prior year	3,484	—
因稅率提高而產生之 期初遞延稅項負債 淨額之增加(附註24)	Increase in opening net deferred tax liabilities resulting from an increase in tax rate (note 24)	5,260	—
稅項支出	Tax charges	1,119	10,200

6 股東應佔(虧損)/盈利

計入本公司賬目之股東應佔(虧損)/盈利為人民幣50,849,000元(二零零三年：人民幣52,420,000元)。

6 (Loss)/profit attributable to shareholders

The loss attributable to shareholders is dealt with in the accounts of the Company to the extent of RMB50,849,000 (2003: profit of RMB52,420,000).

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

7 股息

7 Dividends

	二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
擬派末期股息 - 每股人民幣零元 (二零零三年：人民幣0.04元) 按307,312,830股 (二零零三年：307,312,830股) A股 及150,000,000股 (二零零三年：150,000,000股) H股計算	Final, proposed of RMBNil (2003: RMB0.04) per share on 307,312,830 (2003: 307,312,830) A shares and 150,000,000 (2003: 150,000,000) H shares	— 18,293

8 每股(虧損)/盈利

8 (Loss)/earnings per share

每股基本(虧損)/盈利是根據本集團之股東應佔虧損人民幣52,485,000元(二零零三年：盈利人民幣51,794,000元)及按年內已發行股份之加權平均數457,312,830股(二零零三年：457,312,830股)計算。

The calculation of basic (loss)/earnings per share is based on the Group's loss attributable to shareholders of RMB52,485,000 (2003: profit of RMB51,794,000) and based on the weighted average of 457,312,830 (2003: 457,312,830) shares in issue during the year.

截至二零零四年和二零零三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 (loss)/earnings per share for the year ended 31st December 2004 and 2003 as there were no dilutive shares outstanding during the years ended 31st December 2004 and 2003.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

9 員工成本(不包括董事及監事酬金)

9 Staff costs (excluding directors' and supervisors' remuneration)

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
薪酬工資	Salaries and wages	83,674	87,453
員工福利及其他津貼	Staff welfare and other benefits	20,379	21,096
退休成本 - 界定 供款計劃(附註)	Retirement costs - defined contribution plans (note)	18,678	19,377
		122,731	127,926

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%(二零零三年：23%)。每月個人有關收入的上限為人民幣3,117元(二零零三年：人民幣2,730元)。支付指定退休計劃的費用於產生時自損益賬中扣除。

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% (2003: 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 RMB3,117 (2003: RMB2,730). Contributions to this retirement scheme are charged to the profit and loss account 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.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

10 董事及監事酬金

- (a) 年內本集團向董事及監事支付之酬金總額如下：

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
袍金	Fees	—	—
其他酬金	Other emoluments		
— 基本薪金及津貼	— Basic salaries and allowances	644	747
— 花紅	— Bonuses	814	2,223
— 退休福利	— Retirement benefits	62	163
		1,520	3,133

以上所披露之董事花紅包括支付給獨立非執行董事之人民幣200,000元(2003：人民幣160,000元)。

Directors' bonuses disclosed above include RMB200,000 (2003: RMB160,000) paid to the independent non-executive directors.

- (b) 列入以下酬金級別之董事和監事人數如下：

		執行董事		非執行董事		監事	
		Executive directors		Non-executive directors		Supervisors	
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		2004	2003	2004	2003	2004	2003
<hr/>							
零至人民幣	Nil to						
1,060,000元	RMB1,060,000						
(等於港幣	(equivalent to						
1,000,000元)	Hong Kong						
	Dollar 1,000,000)	6	6	4	4	5	5

截至二零零四年及二零零三年十二月三十一日止年度，沒有董事或監事放棄酬金。

No directors or supervisors waived their emoluments in respect of the years ended 31st December 2004 and 2003.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

10 董事及監事酬金

(c) 截至二零零四年及二零零三年十二月三十一日止年度內酬金最高的五位人士均為本公司執行董事，彼等之酬金已載於上文分析。

10 Directors' and Supervisors' emoluments

(c) The five individuals whose emoluments were the highest in the Group for the years ended 31st December 2004 and 2003 are executive directors of the Company whose emoluments are reflected in the analysis presented above.

11 技術

11 Technical know-how

		本集團及本公司 Group and Company	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
於一月一日	At 1st January	4,220	—
增加	Addition	—	5,000
攤銷	Amortisation	(780)	(780)
於十二月三十一日	At 31st December	3,440	4,220

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

12 物業、廠房及設備

12 Property, plant and equipment

		本集團 Group 廠房、機器 及設備 Plant, machinery, and equipment				汽車 Motor vehicles	總計 Total
		土地使用權 Land use rights 人民幣千元 RMB'000	建築物 Buildings 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	人民幣千元 RMB'000
重估值	Valuation						
於二零零四年一月一日	At 1st January 2004	76,912	313,208	793,643	18,439	1,202,202	
由在建工程轉入 (註13)	Transferred from construction-in- progress (note 13)	—	15,088	51,400	—	66,488	
添置	Additions	4,360	2,576	16,866	1,403	25,205	
出售	Disposals	—	(261)	(16,007)	(2,250)	(18,518)	
於二零零四年 十二月三十一日	At 31st December 2004	81,272	330,611	845,902	17,592	1,275,377	
累積折舊	Accumulated depreciation						
於二零零四年 一月一日	At 1st January 2004	10,895	110,632	300,826	10,596	432,949	
本年度折舊	Charge for the year	1,826	13,336	72,019	2,808	89,989	
出售	Disposals	—	(253)	(13,936)	(2,117)	(16,306)	
於二零零四年 十二月三十一日	At 31st December 2004	12,721	123,715	358,909	11,287	506,632	
賬面淨值	Net book value						
於二零零四年 十二月三十一日 (附註12(c)及(d))	At 31st December 2004 (note 12(c) and (d))	68,551	206,896	486,993	6,305	768,745	
於二零零三年 十二月三十一日 (附註12(c)及(d))	At 31st December 2003 (note 12(c) and (d))	66,017	202,576	492,817	7,843	769,253	

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

12 物業、廠房及設備 (續)

12 Property, plant and equipment (continued)

		本公司 Company 廠房、機器 及設備 Plant, machinery, and equipment				汽車 Motor vehicles	總計 Total
		土地使用權 Land use rights 人民幣千元 RMB'000	建築物 Buildings 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	人民幣千元 RMB'000
重估值	Valuation						
於二零零四年 一月一日	At 1st January 2004	76,912	313,208	791,417	18,439	1,199,976	
由在建工程轉入 (註13)	Transferred from construction-in- progress (note 13)	—	15,088	51,400	—	66,488	
添置	Additions	4,360	2,359	16,417	1,336	24,472	
出售	Disposals	—	(255)	(16,007)	(2,250)	(18,512)	
於二零零四年 十二月三十一日	At 31st December 2004	81,272	330,400	843,227	17,525	1,272,424	
累積折舊	Accumulated depreciation						
於二零零四年 一月一日	At 1st January 2004	10,895	110,632	300,448	10,596	432,571	
本年度折舊	Charge for the year	1,826	12,613	71,714	2,797	88,950	
出售	Disposals	—	(253)	(13,936)	(2,117)	(16,306)	
於二零零四年 十二月三十一日	At 31st December 2004	12,721	122,992	358,226	11,276	505,215	
賬面淨值	Net book value						
於二零零四年 十二月三十一日 (附註12(c)及(d))	At 31st December 2004 (note 12(c) and (d))	68,551	207,408	485,001	6,249	767,209	
於二零零三年 十二月三十一日 (附註12(c)及(d))	At 31st December 2003 (note 12(c) and (d))	66,017	202,576	490,969	7,843	767,405	

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

12 物業、廠房及設備 (續)

- (a) 本集團及本公司之所有的建築物均位於中國。本集團及本公司之賬面淨值為人民幣56,274,000元的土地使用權是由淄博市國家土地管理局所授予，為期50年，由一九九六年三月八日起計算。

本集團及本公司的賬面淨值為人民幣7,309,000元的土地使用權，乃由淄博市國家土地管理局所授予，為期29年，直至二零三零年十二月廿七日。

本集團之賬面淨值為人民幣217,000元的土地使用權亦由淄博市國家土地管理局所授予，為期50年，由二零零三年十一月二十二日起計算。

- (b) 為準備本公司的股票於香港聯合交易所有限公司上市，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。重估增值為人民幣6,420,000元。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。是次重估增值為人民幣22,625,000元。兩個重估增值列賬後對截至二零零四年十二月三十一日止年度增加的折舊費用為人民幣457,000元 (二零零三年：人民幣242,000元)。

12 Property, plant and equipment (continued)

- (a) All buildings of the Group and the Company are located in the PRC. Land use right of the Group and the Company with net book value of RMB56,274,000 was granted by the State Land Administration Bureau of Zibo City for a period of 50 years from 8th March 1996.

Land use right of the Group and the Company with net book value of RMB7,309,000 was granted by the State Land Administration Bureau of Zibo City for a period of 29 years to 27th December 2030.

Land use right of the Group with net book value of RMB217,000 was granted by the State Land Administration bureau of Zibo City for a period of 50 years from 22nd November 2002.

- (b) In the preparation of the listing of the Company's shares on The Stock Exchange of Hong Kong Limited, 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. The revaluation surplus was RMB6,420,000. 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. This has resulted in a further revaluation surplus of RMB22,625,000 to the Company. The adoption of the above two revaluations in the accounts has resulted in an additional depreciation charge of RMB457,000 (2003: RMB242,000) in respect of the year ended 31st December 2004.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

12 物業、廠房及設備 (續)

- (c) 倘本集團及本公司之物業、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：

12 Property, plant and equipment (continued)

- (c) Had the property, plant and equipment of the Group and the Company been carried at cost less accumulated depreciation, the carrying value of such property, plant and equipment in the accounts would have been approximately:

		本集團 Group		本公司 Company	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
土地使用權	Land use rights	68,210	65,676	68,210	65,676
建築物	Buildings	203,638	198,626	203,638	198,626
廠房、機器 及設備	Plant, machinery and equipment	485,410	483,487	483,930	481,639
汽車	Motor vehicles	5,819	7,357	5,763	7,357
		763,077	755,146	761,541	753,298

- (d) 於二零零四年十二月三十一日，本公司及本集團之所有物業、廠房及設備均由本公司董事按折舊重置成本基準作估值。由於重估值與於二零零四年十二月三十一日之賬面淨值並無重大差異，董事認為物業、廠房及設備於二零零四年十二月三十一日之賬面淨值已經公平地反映其於當日之可收回價值。

- (d) At 31st December 2004, all property, plant and equipment of the Company and the Group were revalued by the directors on a depreciated replacement cost basis. Since there are no material differences between the revalued amount and the net book value at 31st December 2004, the directors are of the opinion that the net book value of property, plant and equipment at 31st December 2004 fairly reflected their recoverable amount at that time.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

13 在建工程

13 Construction-in-progress

		本集團及本公司 Group and Company	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
於一月一日	At 1st January	130,803	163,299
增加	Additions	156,849	214,401
轉往物業、廠房 及設備(註12)	Transferred to property, plant and equipment (note 12)	(66,488)	(246,897)
於十二月三十一日	At 31st December	221,164	130,803

在建工程指於二零零四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。在本年度及二零零三年度內均沒有關於在建工程的貸款。

在建工程包括購買兩幅位於中國山東省淄博市的土地使用權之訂金人民幣34,383,000元(二零零三年:人民幣30,000,000元)。

Construction-in-progress comprises expenditures incurred on buildings, plants and machinery not yet commissioned at 31st December 2004. For the years ended 31st December 2004 and 2003, no loans were borrowed for financing construction-in-progress.

Included in construction-in-progress, RMB34,383,000 (2003: RMB30,000,000) represents prepayment for purchase of land use rights of two pieces of land in Zibo, Shandong, the PRC.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

14 附屬公司投資

14 Investments in subsidiaries

		本公司 Company	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
非上市公司股份，按成本值	Unlisted investments, at cost	17,793	11,054
減：減值撥備	Less: Provision for impairment	(3,350)	—
		14,443	11,054

於二零零四年十二月三十一日之附屬公司如下：

The details of the subsidiaries at 31st December 2004 are as follows:

公司名稱 Name	註冊 成立國家 及法定地位 Country of incorporation and kind of legal entity	主要業務及 經營地點 Principal activities and place of operation	註冊 資本詳情 Particulars of registered capital	實際 擁有權益 Effective interest held
德州新華泰康大藥店 有限公司 Dezhou Xinhua Tai Kang Drug Store Company Limited	中國，有限責任公司 PRC, limited company	於中國經營藥物及 醫藥用品零售 Retail sales of medicine and medical products in the PRC	人民幣600,000元 RMB600,000	152.8%
東營新華大藥店 有限公司 Dong Ying Xinhua Drug Store Company Limited	中國，有限責任公司 PRC, limited company	於中國經營藥物及 醫藥用品零售 Retail sales of medicine and medical products in the PRC	人民幣900,000元 RMB900,000	146.6%
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	於歐洲經營藥物及 醫藥用品貿易 Trading of medicine and medical products in Europe	歐元1,000,000元 EUR1,000,000	70%

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

14 附屬公司投資 (續)

14 Investments in subsidiaries (continued)

公司名稱 Name	註冊 成立國家 及法定地位 Country of incorporation and kind of legal entity	主要業務及 經營地點 Principal activities and place of operation	註冊 資本詳情 Particulars of registered capital	實際 擁有權益 Effective interest held
山東新華醫藥 貿易有限公司	中國，有限責任公司	於中國經營藥物及 醫藥用品貿易	人民幣5,000,000元	99.8%
Shangdong Xinhua Medical Trading Company Limited	PRC, limited company	Trading of medicine and medical products in the PRC	RMB5,000,000	99.8%
濰坊新華大 藥店有限公司	中國，有限責任公司	於中國經營藥物及 醫藥用品零售	人民幣300,000元	148.4%
Wei Fang Xinhua Drug Store Company Limited	PRC, limited company	Retail sales of medicine and medical products in the PRC	RMB300,000	148.4%
淄博新華大藥店 (連鎖)有限公司	中國，有限責任公司	於中國經營藥物及 醫藥用品零售	人民幣2,000,000元	88%
Zibo Xinhua Pharmacy (Chain) Company Limited	PRC, limited company	Retail sales of medicine and medical products in the PRC	RMB2,000,000	88%
淄博新華醫藥 設計院有限公司	中國，有限責任公司	於中國經營醫藥 工程的設計	人民幣2,000,000元	90%
Zibo Xinhua Pharmaceutical Design Institute Company Limited	PRC, limited company	Design of medical production projects in the PRC	RMB2,000,000	90%
淄博新華三和 化工有限公司	中國，有限責任公司	於中國生產醫藥中間體	美元500,000元	70%
Zibo Xinhua Sanhe Chemical Company Limited	PRC, limited company	Production of medical intermediates in the PRC	US\$500,000	70%

1 由本公司間接持有之股份

1 Shares held indirectly by the Company

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

15 聯營公司權益

15 Interest in an associated company

		本集團 Group	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
應佔淨資產	Share of net assets	22,893	24,831

		本公司 Company	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
非上市公司股份，按成本值	Unlisted investment, at cost	24,831	24,831

於二零零四年十二月三十一日之聯營公司如下：

The details of the associated company at 31st December 2004 are as follows:

公司名稱 Name	註冊 成立國家 及法定地位 Country of incorporation and kind of legal entity	主要業務及 經營地點 Principal activities and place of operation	註冊 資本詳情 Particulars of registered capital	實際 擁有權益 Effective interest held
淄博新華－ 百利高製藥 有限責任公司 SINO-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited	中國， 有限責任公司 PRC, limited company	於中國生產藥物及 醫藥用品 Production of medicine and medical products in the PRC	美元6,000,000元 USD6,000,000	50%

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

15 聯營公司權益 (續)

淄博新華一百利高製藥有限責任公司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，董事認為該合營公司乃聯營公司。

15 Interest in an associated company (continued)

SINO-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited 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 regard the joint venture as an associated company as the company only exercises significant influence in its management.

16 投資

16 Investment securities

		本集團 Group		本公司 Company	
		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
非上市投資， 按成本值(附註(a))	Unlisted investments, at cost (Note (a))	183,833	55,277	183,777	55,277
減：減值撥備 (附註(b))	Less: Provision for impairment (Note (b))	(12,000)	—	(12,000)	—
		<u>171,833</u>	<u>55,277</u>	<u>171,777</u>	<u>55,277</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

16 投資 (續)

附註：

(a) 2004年7月，本公司投資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，本公司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公司的信託本金和收益。該信託資金計劃為期三年，而年回報率約是投資本金的5%。

(b) 於二零零四年十二月三十一日，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3,000萬元。該公司正面臨財政危機。根據市場資料和該投資的實際情況，公司董事為此項投資計提了人民幣1,200萬元的減值撥備。公司董事確認此撥備是他們以現有資料作出的合理估計。

16 Investment securities (continued)

Notes:

(a) In July 2004, the Company invested RMB 130,000,000 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 undertakes to pledge the equity interests acquired to Qingdao Hisyn in full amount. The Company agrees that Qingdao Hisyn uses the above equity interests so pledged to repay the trust fund principal and interest to the Company 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 Company is at a rate of approximately 5% per annual on the investment amount.

(b) As at 31st December 2004, the Company 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. As such, the Company's directors made a provision of RMB 12,000,000 for impairment of the investment for the year ended 31st December 2004. The directors are of the opinion that the provision is made base on their best estimation with reference to the market situation and circumstances of the securities trading company.

17 存貨

17 Inventories

		本集團 Group		本公司 Company	
		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
原材料	Raw materials	40,725	25,763	40,725	25,763
在製品	Work-in-progress	88,885	84,278	88,885	84,278
產成品	Finished goods	161,285	130,306	138,162	123,882
耗用品	Consumables	9,358	10,191	9,358	10,191
		300,253	250,538	277,130	244,114

於二零零四年十二月三十一日，以可變現淨值列賬之本集團及本公司存貨的賬面值合共人民幣3,611,000元(二零零三年：人民幣9,097,000元)。

At 31st December 2004, the amount of inventories of the Group and the Company that are carried at net realisable value amounted to RMB3,611,000 (2003: RMB9,097,000).

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

18 應收賬款及票據

於二零零四年十二月三十一日，應收賬款及票據的賬齡分析如下：

		本集團 Group		本公司 Company	
		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
一年以內	Within one year	303,801	282,790	291,342	282,740
一年至二年	One to two years	16,170	12,300	16,170	12,300
二年至三年	Two to three years	4,367	5,127	4,367	5,127
		324,338	300,217	311,879	300,167

本集團及本公司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。

18 Trade and bills receivables

At 31st December 2004, the ageing analysis of the trade and bills receivables is as follows:

		本集團 Group		本公司 Company	
		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
一年以內	Within one year	303,801	282,790	291,342	282,740
一年至二年	One to two years	16,170	12,300	16,170	12,300
二年至三年	Two to three years	4,367	5,127	4,367	5,127
		324,338	300,217	311,879	300,167

The Group's and the Company'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.

19 應收直接控股公司款項

應收直接控股公司款項是無抵押、無利息及無指定還款日期的款項。於二零零四年十二月三十一日，此等款項包括貿易款項約人民幣27,328,000元（二零零三年：人民幣27,050,000元）。直接控股公司承諾償還及代收回應收及應付同集團附屬公司款項。於二零零四年十二月三十一日，應收直接控股公司款項乃應收及應付直接控股公司及同集團附屬公司之淨額。

19 Amount due from immediate holding company

The amount due from immediate holding company is unsecured, interest-free and has no fixed terms of repayment. Out of the total balance at 31st December 2004, approximately RMB27,328,000 (2003: RMB27,050,000) 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 2004, the amount due from immediate holding company represents the net balance due from and to the immediate holding company and the fellow subsidiaries.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

20 買賣投資

20 Trading investments

		本集團及本公司 Group and Company	
		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
香港以外上市投資， 按市值	Listed investments outside Hong Kong, at market value	58,551	34,751

21 應付賬款及票據

21 Trade and bills payables

於二零零四年十二月三十一日，應付賬款及票據的賬齡分析如下：

At 31st December 2004, the ageing analysis of the trade and bills payables is as follows:

		本集團 Group		本公司 Company	
		2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
一年以內	Within one year	302,789	233,507	296,223	228,685
一年至二年	One to two years	855	580	802	423
二年至三年	Two to three years	579	523	521	523
超過三年	Over three years	3,546	2,937	3,497	2,937
		307,769	237,547	301,043	232,568

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

22 股本

22 Share capital

		本集團及本公司 Group and Company	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
法定股本	Registered		
307,312,830股	307,312,830		
(二零零三年：307,312,830股)	(2003: 307,312,830)		
A股每股面值人民幣1.00元	A Shares of RMB1.00 each	307,313	307,313
150,000,000股	150,000,000		
(二零零三年：150,000,000股)	(2003: 150,000,000)		
H股每股面值人民幣1.00元	H Shares of RMB1.00 each	150,000	150,000
		457,313	457,313
已發行及繳足股本	Issued and fully paid		
307,312,830股	307,312,830		
(二零零三年：307,312,830股)	(2003: 307,312,830)		
A股每股面值	A Shares of RMB1.00 each		
人民幣1.00元分為：	divided into:		
國家股	State shares	214,440	214,440
法人股	Legal person shares	16,720	16,720
個人股	Individual shares	76,153	76,153
		307,313	307,313
150,000,000股	150,000,000		
(二零零三年：150,000,000股)	(2003: 150,000,000)		
H股每股面值人民幣1.00元	H Shares of RMB1.00 each	150,000	150,000
		457,313	457,313

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備

23 Reserves

	本集團 Group						
	股份 溢價賬 (註(b)) Share premium account (note (b)) 人民幣千元 RMB'000	資本 公積金 (註(b)) Capital reserve (note (b)) 人民幣千元 RMB'000	儲備基金 (註(c)) Reserve funds (note (c)) 人民幣千元 RMB'000	資產 重估儲備 Asset revaluation reserve 人民幣千元 RMB'000	匯兌差額 Exchange reserve 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於二零零四年一月一日 As at 1st January 2004	466,618	78,642	159,425	25,850	744	250,184	981,463
二零零三年已派末期股息 2003 Final dividend paid	—	—	—	—	—	(18,293)	(18,293)
本年度虧損 Loss for the year	—	—	—	—	—	(52,485)	(52,485)
匯兌差額 Exchange difference	—	—	—	—	1,324	—	1,324
於二零零四年十二月三十一日 At 31st December 2004	<u>466,618</u>	<u>78,642</u>	<u>159,425</u>	<u>25,850</u>	<u>2,068</u>	<u>179,406</u>	<u>912,009</u>
相當於： Representing:							
公司及子公司於二零零四年 十二月三十一日之儲備 Company and subsidiaries 聯營公司 Associated Company	466,618	78,642	159,425	25,850	2,068	181,344	913,947
	—	—	—	—	—	(1,938)	(1,938)
於二零零四年十二月三十一日 Reserves at 31st December 2004	<u>466,618</u>	<u>78,642</u>	<u>159,425</u>	<u>25,850</u>	<u>2,068</u>	<u>179,406</u>	<u>912,009</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備 (續)

23 Reserves (continued)

	本集團 Group						
	股份 溢價賬 (註(b)) Share premium account (note (b)) 人民幣千元 RMB'000	資本 公積金 (註(b)) Capital reserve (note (b)) 人民幣千元 RMB'000	儲備基金 (註(c)) Reserve funds (note (c)) 人民幣千元 RMB'000	資產 重估儲備 Asset revaluation reserve 人民幣千元 RMB'000	匯兌差額 Exchange reserve 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於二零零三年一月一日，如前呈報 At 1st January 2003, as previously reported	466,618	78,642	148,906	29,045	—	233,909	957,120
會計準則第12號(經修訂)的影響 Effect on adoption of SSAP12 (revised)	—	—	—	(3,195)	—	2,439	(756)
於二零零三年一月一日，經重列 As at 1st January 2003, as restated	466,618	78,642	148,906	25,850	—	236,348	956,364
二零零二年已派末期股息 2002 Final dividend paid	—	—	—	—	—	(27,439)	(27,439)
本年度盈利 Profit for the year	—	—	—	—	—	51,794	51,794
匯兌差額 Exchange differences	—	—	—	—	744	—	744
轉入儲備基金(註(c)) Transfer to reserve funds (note (c))	—	—	10,519	—	—	(10,519)	—
於二零零三年十二月三十一日 At 31st December 2003	<u>466,618</u>	<u>78,642</u>	<u>159,425</u>	<u>25,850</u>	<u>744</u>	<u>250,184</u>	<u>981,463</u>
相當於： Representing:							
公司及子公司於二零零三年 十二月三十一日之儲備 Company and subsidiaries Reserves at 31st December 2003	466,618	78,642	159,425	25,850	744	231,891	963,170
二零零三年擬派末期股息 2003 Final dividend proposed	—	—	—	—	—	18,293	18,293
於二零零三年十二月三十一日 At 31st December 2003	<u>466,618</u>	<u>78,642</u>	<u>159,425</u>	<u>25,850</u>	<u>744</u>	<u>250,184</u>	<u>981,463</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備 (續)

23 Reserves (continued)

	本公司 Company					
股份溢價賬 (註(b)) Share premium account (note (b)) 人民幣千元 RMB'000	資本公積金 (註(b)) Capital reserve (note (b)) 人民幣千元 RMB'000	儲備基金 (註(c)) Reserve funds (note (c)) 人民幣千元 RMB'000	資產 重估儲備 Asset revaluation reserve 人民幣千元 RMB'000	留存盈利 Retained earnings 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000	
於二零零四年一月一日 As at 1st January 2004	466,618	78,642	159,217	25,850	249,542	979,869
二零零三年已派末期股息 2003 Final dividend paid	—	—	—	—	(18,293)	(18,293)
本年度虧損 Loss for the year	—	—	—	—	(50,849)	(50,849)
於二零零四年十二月三十一日 At 31st December 2004	<u>466,618</u>	<u>78,642</u>	<u>159,217</u>	<u>25,850</u>	<u>180,400</u>	<u>910,727</u>
相當於： Representing:						
於二零零四年 十二月三十一日之儲備 Reserves at 31st December 2004	<u>466,618</u>	<u>78,642</u>	<u>159,217</u>	<u>25,850</u>	<u>180,400</u>	<u>910,727</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備 (續)

23 Reserves (continued)

	本公司 Company					
	股份溢價賬 (註(b)) Share premium account (note (b)) 人民幣千元 RMB'000	資本公積金 (註(b)) Capital reserve (note (b)) 人民幣千元 RMB'000	儲備基金 (註(c)) Reserve funds (note (c)) 人民幣千元 RMB'000	資產 重估儲備 Asset revaluation reserve 人民幣千元 RMB'000	留存盈利 Retained earnings 人民幣千元 RMB'000	總額 Total 人民幣千元 RMB'000
於二零零三年一月一日，如前呈報						
At 1st January 2003, as previously reported	466,618	78,642	148,698	29,045	232,641	955,644
已按會計準則第12號(經修訂)的影響						
Effect on adoption of SSAP12 (revised)	—	—	—	(3,195)	2,439	(756)
於二零零三年一月一日，經重列						
As at 1st January 2003, as restated	466,618	78,642	148,698	25,850	235,080	954,888
二零零二年已派末期股息						
2002 Final dividend paid	—	—	—	—	(27,439)	(27,439)
本年度盈利						
Profit for the year	—	—	—	—	52,420	52,420
轉入儲備基金(註(c))						
Transfer to reserve funds (note (c))	—	—	10,519	—	(10,519)	—
於二零零三年十二月三十一日						
At 31st December 2003	<u>466,618</u>	<u>78,642</u>	<u>159,217</u>	<u>25,850</u>	<u>249,542</u>	<u>979,869</u>
相當於：						
Representing:						
於二零零三年十二月三十一日之儲備						
Reserves at 31st December 2003	466,618	78,642	159,217	25,850	231,249	961,576
二零零三年擬派末期股息						
2003 Final dividend proposed	—	—	—	—	18,293	18,293
於二零零三年十二月三十一日						
At 31st December 2003	<u>466,618</u>	<u>78,642</u>	<u>159,217</u>	<u>25,850</u>	<u>249,542</u>	<u>979,869</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備 (續)

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

- (1) 彌補累積虧損；
- (2) 提取除稅後盈利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) 提取稅後盈利5%至10%往法定公益金；
- (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。

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盈利計算。

(b) 資本公積金及股份溢價賬

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。

23 Reserves (continued)

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

- (1) make up accumulated losses;
- (2) transfer 10% of the profit after tax 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) transfer 5% to 10% of the profit after tax 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.

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) Capital reserve and share premium account

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 relevant PRC regulations, capital reserve and share premium account can only be used to increase share capital.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備 (續)

(c) 儲備基金

23 Reserves (continued)

(c) Reserve funds

		本集團 Group			總額 Total
		法定盈餘 公積金 (註(i)) Statutory surplus reserve (note (i)) 人民幣千元 RMB'000	法定公益金 (註(ii)) Statutory public welfare reserve (note (ii)) 人民幣千元 RMB'000	任意盈餘 公積金 (註(iii)) Discretionary surplus reserve (note (iii)) 人民幣千元 RMB'000	
於二零零四年一月一日及 二零零四年十二月三十一日	At 1st January 2004 and 31st December 2004	68,336	29,543	61,546	159,425
於二零零三年一月一日 轉自損益表	At 1st January 2003 Transfer from profit and loss account	64,128	27,440	57,338	148,906
		4,208	2,103	4,208	10,519
於二零零三年十二月三十一日	At 31st December 2003	68,336	29,543	61,546	159,425

		本公司 Company			總額 Total
		法定盈餘 公積金 (註(i)) Statutory surplus reserve (note (i)) 人民幣千元 RMB'000	法定公益金 (註(ii)) Statutory public welfare reserve (note (ii)) 人民幣千元 RMB'000	任意盈餘 公積金 (註(iii)) Discretionary surplus reserve (note (iii)) 人民幣千元 RMB'000	
於二零零四年一月一日及 二零零四年十二月三十一日	At 1st January 2004 and 31st December 2004	68,198	29,473	61,546	159,217
於二零零三年一月一日 轉自損益表	At 1st January 2003 Transfer from profit and loss account	63,990	27,370	57,338	148,698
		4,208	2,103	4,208	10,519
於二零零三年十二月三十一日	At 31st December 2003	68,198	29,473	61,546	159,217

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

23 儲備 (續)

(c) 儲備基金 (續)

附註：

(i) 法定盈餘公積金

本集團需提取中國法定賬目之除稅後利潤的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%。

(ii) 法定公益金

本集團需提取中國法定賬目之除稅後利潤的5%至10%往法定公益金。此法定公益金只限於使用在本公司職工集體福利設施的資本性支出，而該等設施之所有權乃本公司所有。除公司清算外，法定公益金不可用以派發給股東。

(iii) 任意盈餘公積金

任意盈餘公積金從留存盈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。

23 Reserves (continued)

(c) Reserve funds (continued)

Notes:

(i) Statutory surplus reserve

The Group is required in each year to transfer 10% of the profit after taxation as reported under the PRC statutory accounts 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) Statutory public welfare reserve

The Group is required in each year to transfer 5% to 10% of the profit after taxation as reported under the PRC statutory accounts to the statutory public welfare reserve. This reserve is restricted to capital expenditure for employees' collective welfare facilities which are owned by the Company. Except in liquidation, the statutory public welfare reserve is not available for distribution to shareholders.

(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.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

24 遞延稅項

24 Deferred taxation

		本集團及本公司 Group and Company	
		二零零四年 2004	二零零三年 2003
		人民幣千元 RMB'000	人民幣千元 RMB'000
於一月一日	At 1st January	4,383	2,565
在損益賬(計入)/扣除(附註5)	(Credit)/charge to profit and loss account (note 5)	(4,230)	1,818
於十二月三十一日	At 31st December	153	4,383

本集團及本公司年內遞延稅項(資產)/負債之變動如下：

The movement in deferred tax (assets)/liabilities of the Group and the Company during the year is as follows:

	會計準備 Accounting provisions		稅損 Tax losses		其他 Others		總計 Total	
	二零零四年 2004	二零零三年 2003	二零零四年 2004	二零零三年 2003	二零零四年 2004	二零零三年 2003	二零零四年 2004	二零零三年 2003
	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	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
於一月一日								
At 1st January	3,186	1,831	—	—	1,197	734	4,383	2,565
因稅率提高而產生 之期初遞延稅項負債 淨額之增加								
Increase in opening deferred tax liabilities resulting from change in tax rate	3,824	—	—	—	1,436	—	5,260	—
本年稅項(計入)/扣除 Current year's taxation (credit)/charge	(4,171)	1,355	(3,519)	—	(1,800)	463	(9,490)	1,818
在損益賬(計入)/扣除 (Credit)/charged to profit and loss account	(347)	1,355	(3,519)	—	(364)	463	(4,230)	1,818
於十二月三十一日								
At 31st December	2,839	3,186	(3,519)	—	833	1,197	153	4,383

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

25 銀行貸款

於二零零四年十二月三十一日，本集團及本公司之銀行貸款乃無抵押貸款並須於以下年期償還：

25 Bank loans

At 31st December 2004, the Group's and the Company's bank loans were unsecured and repayable as follows:

		長期銀行貸款		短期銀行貸款	
		Long-term bank loans		Short-term bank loans	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
第一年內	Within one year	250,000	—	306,285	174,156
第二年	In the second year	—	200,000	—	—
		<u>250,000</u>	<u>200,000</u>	<u>306,285</u>	<u>174,156</u>

本集團及本公司於二零零四年十二月三十一日及二零零三年十二月三十一日的長期銀行貸款是由直接控股公司擔保（附註27）。

At 31st December 2004 and 2003, the long-term bank loans of the Group and the Company were guaranteed by the immediate holding company (note 27).

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

26 綜合現金流量表

26 Consolidated cash flow statement

(a) 經營(虧損)/盈利與經營活動之現金淨額對賬表

(a) Reconciliation of operating (loss)/profit to net cash generated from operations

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
除稅前(虧損)/盈利	Operating (loss)/profit	(35,030)	75,925
物業、廠房及設備折舊	Depreciation	89,989	79,733
技術攤銷	Amortisation of technical know-how	780	780
出售物業、廠房及設備收益	Gain on disposal of property, plant and equipment	(2,136)	(1,303)
買賣投資變現盈利	Realised gain on sale of trading investments	(4,348)	—
買賣投資未變現虧損/(盈利)	Unrealised loss/(gain) on trading investments	11,449	(3,573)
長期投資減值撥備	Provision for impairment in an investment security	12,000	—
長期投資撇銷	Write-off of an investment security	1,500	—
銀行利息收入	Bank interest income	(5,212)	(5,950)
投資利息收入	Interest income from an investment security	(2,817)	—
投資股息收入	Dividend income from investments	(467)	(781)
營運資金變動前之經營盈利	Operating profit before working capital changes	65,708	144,831
存貨增加	Increase in inventories	(49,715)	(31,904)
應收賬款及票據、其他應收款項、按金、預付款項及可退回出口增值稅款增加	Increase in trade and bills receivables, other receivables, deposits and prepayments, export value added tax recoverable	(1,933)	(15,950)
應收控股公司款項增加	Increase in amount due from immediate holding company	(7,126)	(6,772)
應付賬款及票據、其他應付款項及應計費用增加	Increase in trade and bills payables, other payables and accrued charges	101,027	128,455
經營活動產生之現金淨額	Net cash generated from operations	107,961	218,660

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

26 綜合現金流量表 (續)

26 Consolidated cash flow statement (continued)

(b) 年內融資變動分析

(b) Analysis of changes in financing during the year

	應付股息		少數股東權益		銀行貸款	
	Dividend payable		Minority interests		Bank loans	
	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
	2004	2003	2004	2003	2004	2003
	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
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
於一月一日						
At 1st January	—	—	3,968	2,675	374,156	340,000
少數股東應佔虧損						
Minority shareholders' share of losses	—	—	(986)	(87)	—	—
已收少數股東投資款						
Investments from a minority shareholder	—	—	12	1,551	—	—
應收少數股東投資款						
Capital contribution receivable from a minority shareholder	—	—	1,690	—	—	—
新借銀行貸款						
New bank loans	—	—	—	—	232,129	404,156
償還銀行貸款						
Repayment of bank loans	—	—	—	—	(50,000)	(370,000)
宣派股息						
Dividends declared	18,293	27,439	—	—	—	—
已派股息						
Dividends paid	(18,293)	(27,439)	—	—	—	—
匯兌差額						
Exchange difference	—	—	(400)	(171)	—	—
於十二月三十一日						
At 31st December	—	—	4,284	3,968	556,285	374,156

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

27 銀行借貸

於二零零四年十二月三十一日，本集團及本公司之銀行信貸，總額人民幣250,000,000元由直接控股公司擔保，其中本集團及本公司已取得人民幣250,000,000元之借款（二零零三年：人民幣200,000,000元）。

27 Banking facilities

The Group's and the Company's banking facilities of RMB250,000,000 were guaranteed by the immediate holding company. As at 31st December 2004, RMB250,000,000 of such banking facilities were utilised by the Company and the Group (2003: RMB200,000,000).

28 承擔

(a) 資本承擔

- (i) 在建工程及物業、廠房及設備承擔

於二零零四年十二月三十一日，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：

28 Commitments

(a) Capital commitments

- (i) Commitments for construction-in-progress and property, plant and equipment

At 31st December 2004, the Group had the following capital commitments principally related to construction-in-progress and purchase of property, plant and equipment in respect of buildings and production facilities which were not provided for in the accounts:

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
已簽約但未撥備	Contracted but not provided for	30,345	12,920
已批准但未簽約	Authorised by the directors but not contracted	101,500	149,700
		<u>131,845</u>	<u>162,620</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)
(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

28 承擔 (續)

(a) 資本承擔 (續)

(ii) 其他承擔

本集團於二零零四年十二月三十一日有關於投資於一聯營公司70%股權的資本性承擔之金額為人民幣2,253,000元(二零零三年：人民幣2,081,000元)。此聯營公司的主要業務為於歐洲經營藥物及醫藥用品貿易。

本集團於二零零四年十二月三十一日簽定購置技術為人民幣1,715,000元(二零零三年：人民幣1,715,000元)。

(b) 經營租賃承擔

- (i) 於二零零四年十二月三十一日，本集團根據不可撤銷之經營租賃而於未來支付之最低租賃付款總額如下：

28 Commitments (continued)

(a) Capital commitments (continued)

(ii) Other commitments

The Group had capital commitment of RMB2,253,000 to invest in a joint venture with 70% equity interest as at 31st December 2004 (2003: RMB2,081,000). The joint venture is engaged in trading of medicine and medical products in Europe.

At 31st December 2004, the Group had capital commitment of RMB1,715,000 to acquire technical know-how in production of medical intermediates (2003: RMB1,715,000).

(b) Commitments under operating leases

- (i) At 31st December 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		土地及樓宇	
		Land and buildings	
		二零零四年	二零零三年
		2004	2003
		人民幣千元	人民幣千元
		RMB'000	RMB'000
第一年內	Not later than one year	846	973
第二至第五年內	Later than one year and not later than five years	889	1,522
超過五年後	Later than five years	79	172
		<u>1,814</u>	<u>2,667</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

28 承擔 (續)

(b) 經營租賃承擔 (續)

- (ii) 於二零零四年十二月三十一日，本集團根據不可撤銷之經營租賃而於未來收取之最低租賃款項總額如下：

28 Commitments (continued)

(b) Commitments under operating leases (continued)

- (ii) At 31st December 2004, the future minimum rental payments receivable under non-cancellable leases are as follows:

		本集團	
		Land and buildings	
		二零零四年	二零零三年
		2004	2003
		人民幣千元	人民幣千元
		RMB'000	RMB'000
第一年內	Not later than one year	1,629	311
第二年至第五年內	Later than one year and not later than five years	70	—
		<u>1,699</u>	<u>311</u>

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

29 有關連人士交易

- (a) 除已在附註19和附註27披露的有關連人士交易外，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：

29 Related party transactions

- (a) Apart from those disclosed in notes 19 and 27 above, the other significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

		二零零四年 2004 人民幣千元 RMB'000	二零零三年 2003 人民幣千元 RMB'000
與最終控股公司的附屬公司：	Fellow subsidiaries:		
－銷售製成品及原材料（註(i)）	－ Sale of finished goods and raw materials (note(i))	28,716	30,769
－採購原材料（註(i)）	－ Purchase of raw materials (note(i))	66,403	62,807
－採購物業、廠房及設備（註(ii)）	－ Purchase of property, plant and equipment (note(ii))	9,512	—
－租金收入（註(i)）	－ Rental income (note(i))	1,506	1,355
－支付勞務及其他服務（註(ii)）	－ Payment of labour and other services (note(ii))	2,257	6,900
與聯營公司：	Associated company:		
－銷售設備（註(ii)）	－ Sale of equipment (note(ii))	—	2,362

- (i) 董事認為，上述交易乃於日常和一般業務過程中按有關行業的慣例所決定的價格和條款及根據制約該等交易的協議條款而進行。

- (ii) 這些交易乃於雙方所決定的價格和條款而進行。

- (i) The Directors are of the opinion that the above transactions were conducted in the ordinary and usual course of business of the Group at price and terms determined according to relevant industry practice and in accordance with the terms of the agreements governing such transactions.

- (ii) These transactions were conducted at price and terms agreed by both parties.

賬目附註 (續)

NOTES TO THE ACCOUNTS (continued)

(根據香港普遍採納之會計原則編製)

(PREPARED UNDER HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

29 有關連人士交易 (續)

- (b) 於本年度內，本公司之直接控股公司代墊費用約人民幣21,921,000元(二零零三年：人民幣4,254,000元)，而直接控股公司則按本公司的實際成本償付。截至二零零四年十二月三十一日，有關代墊費用的餘額為人民幣13,953,000元(二零零三年：人民幣6,821,000元)。此等款項乃是無抵押、無利息及無指定還款日期(附註19)。

30 最終控股公司

董事認為本公司之最終控股公司為一家於中國註冊成立的國營有限責任公司 - 新華魯抗藥業集團有限責任公司。

31 賬目通過

本年度賬目已於二零零五年三月二十四日由董事會通過。

29 Related party transactions (continued)

- (b) During the year, the Company paid certain expenses on behalf of its immediate holding company totalling RMB21,921,000 (2003: RMB4,254,000), which were charged back to the immediate holding company on a cost reimbursement basis. As at 31st December 2004, the amount due from the immediate holding company in connection with such transactions amounted to RMB13,953,000 (2003: RMB6,821,000) which is unsecured, interest-free and has no fixed terms of repayment (note 19).

30 Ultimate holding company

The directors of the Company regard Xinhua Lukang Pharmaceutical Group Corporation, a State-owned limited liability company established in the PRC, as being the ultimate holding company.

31 Approval of accounts

The accounts were approved by the board of directors on 24th March 2005.