

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)
截至二零零五年十二月三十一日止年度
FOR THE YEAR ENDED 31 DECEMBER 2005

			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (restated)
	附註 NOTES			
營業額	Turnover	6	1,712,102	1,524,409
銷售成本	Cost of sales		(1,400,869)	(1,267,109)
毛利	Gross profit		311,233	257,300
其他業務收入	Other operating income	6	30,752	19,200
銷售費用	Selling expenses		(169,639)	(156,367)
管理費用	Administrative expenses		(115,962)	(123,502)
其他業務費用	Other operating expenses		(18,292)	(31,661)
應佔聯營公司業績	Share of results of associates		(2,732)	(1,938)
財務費用	Finance costs	7	(22,166)	(15,384)
除稅前溢利(虧損)	Profit (loss) before taxation		13,194	(52,352)
稅項	Taxation	8	(13,696)	(1,119)
本年度虧損	Loss for the year	9	(502)	(53,471)
其中：	Attributable to:			
本公司股東	Equity holders of the Company		1,229	(52,485)
應佔溢利(虧損)				
少數股東權益	Minority interests		(1,731)	(986)
			(502)	(53,471)
股息	Dividends	10		
— 中期股息	— Interim		—	—
— 擬派末期股息	— Proposed final		22,866	—
			22,866	—
每股基本溢利(虧損)	Earnings (loss) per share - basic	11	人民幣元RMB0.003	人民幣元(RMB0.115)

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)

截至二零零五年十二月三十一日止年度

AS AT 31 DECEMBER 2005

			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (restated)
	附註 NOTES			
非流動資產		Non-current assets		
技術	15	Technical know-how	4,182	3,440
物業、廠房及設備	16	Property, plant and equipment	812,832	700,194
在建工程	17	Construction-in-progress	90,168	221,164
土地使用權		Prepaid lease payments		
之預付租賃款項	18	on land use rights	88,985	66,725
聯營公司權益	19	Interests in associates	30,279	22,893
聯營公司貸款	20	Loan to an associate	4,440	2,481
可供出售之投資	21	Available-for-sale investments	140,777	—
投資	22	Investment securities	—	171,833
			1,171,663	1,188,730
流動資產		Current assets		
存貨	23	Inventories	274,765	300,253
應收帳款及票據	24	Trade and bills receivables	281,721	324,338
土地使用權		Prepaid lease payments		
之預付租賃款項	18	on land use rights	2,471	1,826
其他應收款項、按金		Other receivables, deposits		
及預付款項		and prepayment	65,110	58,990
可退回出口		Exported value-added-tax		
增值稅款		recoverable	—	2,814
應收直接控股		Amount due from immediate		
公司款項	25	holding company	49,288	41,467
應收聯營公司款項	26	Amount due from an associate	3,035	—
買賣投資	27	Trading investments	—	58,551
可退回所得稅款		Income tax recoverable	—	538
銀行承兌滙票	28	Pledged bank deposits	65,149	57,459
保證金存款				
衍生金融工具	29	Derivative financial instruments	84	—
銀行存款及現金結餘		Bank balances and cash	298,042	280,474
			1,039,665	1,126,710

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)
截至二零零五年十二月三十一日止年度
AS AT 31 DECEMBER 2005

			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (restated)
	附註 NOTES			
流動負債		Current liabilities		
應付賬款及票據		Trade and bills payables	30	345,620
其他應付款		Other payables		307,769
及應計費用		and accrued charges	68,534	77,627
應付聯營公司款項		Amount due to an associate	31	145
應交稅金		Tax payable	3,877	—
於一年內到期之		Current portion of long-term		
長期銀行貸款		bank loans, unsecured		
— 無抵押	32		—	250,000
短期銀行貸款		Short-term bank		
— 無抵押	32	loans, unsecured	418,969	306,285
			837,145	941,681
流動資產淨額		Net current assets	202,520	185,029
總資產減流動負債		Total assets less current liabilities	1,374,183	1,373,759
資本及儲備		Capital and reserves		
股本		Share capital	33	457,313
儲備		Reserves	888,866	912,009
擬派末期股息		Proposed final dividend	22,866	—
本公司股東應佔權益		Equity attributable to equity holders of the Company	1,369,045	1,369,322
少數股東權益		Minority interests	1,092	4,284
			1,370,137	1,373,606
非流動負債		Non-current liabilities		
遞延負債		Deferred tax liabilities	34	4,046
			1,374,183	1,373,759

本財務報表由第87頁至第157頁於二零零六年三月二十四日經董事會核准及授權公佈，並由下列董事代表簽署：

The financial statements on pages 87 to 157 were approved and authorized for issue by the Board of Directors on 24 March 2006 and are signed on its behalf by:

賀端湜
董事

郭琴
董事

Mr. He Duanshi
Director

Ms. Guo Qin
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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

	公司股權佔有人應佔									少數 股東權益	總計
	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		
	Asset										
	Share capital	Share premium	Capital reserve	Reserve funds	revaluation reserve	Exchange reserve	Retained earnings	Dividend reserve	Total		
	Minority interests	Total									
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	人民幣千元
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(註b)	(註b)	(註c)								
	(Note b)	(Note b)	(Note c)								
於二零零四年一月一日，按原先呈列											
At 1 January 2004											
as originally stated	457,313	466,618	78,642	159,425	25,850	744	250,184	—	1,438,776	—	1,438,776
會計政策變動之影響(見附錄2)											
Effect of changes in accounting											
policies (see Note 2)	—	—	—	—	—	—	—	—	—	3,968	3,968
於二零零四年一月一日，重列											
At 1 January 2004 as restated	457,313	466,618	78,642	159,425	25,850	744	250,184	—	1,438,776	3,968	1,442,744
換算海外業務產生之匯兌差額											
Exchange difference arising											
on translation of											
overseas operation	—	—	—	—	—	1,324	—	—	1,324	(400)	924
本年度虧損											
Loss for the year	—	—	—	—	—	—	(52,485)	—	(52,485)	(986)	(53,471)
本年度已確認之收支總額											
Total recognised income and											
expense for the year	—	—	—	—	—	1,324	(52,485)	—	(51,161)	(1,386)	(52,547)
已付股息											
Dividends paid	—	—	—	—	—	—	(18,293)	—	(18,293)	—	(18,293)
少數股東投資											
Investment from a											
minority shareholder	—	—	—	—	—	—	—	—	—	12	12
應收少數股東之注資											
Capital contribution receivable											
from a minority shareholder	—	—	—	—	—	—	—	—	—	1,690	1,690

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)
截至二零零五年十二月三十一日止年度
FOR THE YEAR ENDED 31 DECEMBER 2005

	公司股權佔有人應佔										
	Attributable to equity holders of the Company								少數股東權益		總計
	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			
	Asset								Minority interests		Total
	Share capital	Share premium	Capital reserve	Reserve funds	revaluation reserve	Exchange reserve	Retained earnings	Dividend reserve	Total	interests	Total
	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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(註b)	(註b)	(註c)							
		(Note b)	(Note b)	(Note c)							
於二零零四年十二月三十一日											
At 31 December 2004	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)
收購於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 final 2005 dividend	—	—	—	—	—	—	(22,866)	22,866	—	—	—
於二零零五年十二月三十一日											
At 31 December 2005	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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

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 People's Republic of China (the "PRC") regulations 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。當法定盈餘公積金額達註冊資本的50%，可以不再提取；
- (3) 提取稅後溢利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。

- (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) transfer 5% to 10% of the 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制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 relevant PRC regulations, 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 (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	總計 Total 人民幣千元 RMB'000
於二零零四年一月一日	At 1 January 2004			
及二零零四年十二月三十一日	and 31 December 2004	68,336	29,543	61,546
應佔聯營公司權益變動	Share of changes in equity of associates	79	39	—
轉自保留溢利	Transfer from retained earnings	522	261	—
於二零零五年十二月三十一日	At 31 December 2005	68,937	29,843	61,546

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)
截至二零零五年十二月三十一日止年度
FOR THE YEAR ENDED 31 DECEMBER 2005

(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%。

(ii) 法定公益金

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。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。

(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.

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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (Restated)
經營業務	OPERATING ACTIVITIES		
除稅前溢利(虧損)	Profit (loss) before taxation	13,194	(52,352)
調整：	Adjustments for:		
土地的使用權	Amortisation of prepaid lease payment		
預付租賃款項攤銷	on land use rights	2,471	1,826
呆壞賬備抵	Allowance for bad and doubtful debts	7,598	15,993
技術攤銷	Amortisation of technical know-how	808	780
銀行利息收入	Bank interest income	(4,924)	(5,212)
折舊	Depreciation	94,816	88,163
買賣投資之股息收入	Dividend income from trading investments	—	(467)
財務費用	Finance costs	22,166	15,384
出售土地的使用權收益	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	(1,730)	(2,136)
可供出售投資之減值虧損	Impairment loss on an available-for-sale investments	18,000	—
投資證券之減值虧損	Impairment loss on an investment security	—	12,000
衍生金融工具公平值增加	Increase in fair value of derivative financial instruments	(84)	—
投資利息收入	Interest income from an investment security	—	(2,817)
可供出售投資之利息收入	Interest income from an available-for-sale investment	(6,753)	—
聯營公司貸款利息收入	Interest income from loan to an associate	(80)	—
出售附屬公司虧損	Loss on disposal of a subsidiary	225	—
出售買賣投資變現溢利	Realised gain on sale of trading investments	(91)	(4,348)
應佔聯營公司業績	Share of results of associates	2,732	1,938
買賣投資之變現虧損	Unrealised loss on trading investments	—	11,449
投資證券撇銷	Write-off of an investment security	—	1,500

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)
截至二零零五年十二月三十一日止年度
FOR THE YEAR ENDED 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (Restated)
營運資金變動前 之經營現金流量	Operating cash flow before movements in working capital	135,436	81,701
存貨減少(增加)	Decrease (increase) in inventories	25,055	(49,715)
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(增加)	Decrease (increase) in trade and bills receivables, other receivables, deposits and prepayments, export value added tax receivable	35,887	(17,926)
應收直接控股公司 款項增加	Increase in amount due from immediate holding company	(7,821)	(7,126)
應收聯營公司款項增加	Increase in amount due from an associate	(554)	—
應付賬款及票據、其他 應付款及應計費用增加	Increase in trade and bills payables, other payables and accrued charges	28,834	101,027
應付聯營公司款項增加	Increase in amount due to an associate	145	—
經營產生之現金	Cash generated from operations	216,982	107,961
已付中國所得稅	PRC income tax paid	(5,388)	(2,311)
經營業務所產生 之現金淨額	NET CASH FROM OPERATING ACTIVITIES	211,594	105,650

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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (Restated)
	附註 Note		
投資業務	INVESTING ACTIVITIES		
支付在建工程款項	Payment for construction-in-progress	(79,400)	(156,849)
銀行承兌滙票保證金	Increase in pledged bank deposits	(7,690)	(57,459)
存款增加			
購入物業、廠房及設備	Purchase of property, plant and equipment	(30,351)	(20,845)
投資聯營公司	Investment in an associate	(10,000)	—
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	Increase in prepaid lease payments		
預付租賃款項增加	on land use rights	(1,123)	(4,360)
出售買賣投資	Proceeds on disposal of		
所得款項	trading investments	58,642	39,099
收回可供出售	Repayment from		
之投資款項	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	—
已收取可供出售投資	Interest income from an		
之利息收入	available-for-sale investment	6,753	—
已收取銀行利息	Bank interest received	4,924	5,212
已收取聯營公司貸款	Interest income received from loan to an		
利息收入	associate	80	—
出售在建工程所得款項	Proceeds from disposal of		
	construction-in-progress	4,147	—
出售物業、廠房	Proceeds from disposal of property,		
及設備所得款項	plant and equipment	3,145	4,348
出售附屬公司	Disposal of a subsidiary	65	—
已收取投資	Dividend income received		
股息收入	from investments	—	467
收取投資利息收入	Interest income received from		
	an investment security	—	2,817
購入買賣投資	Purchase of trading investments	—	(70,000)
購入投資證券	Purchase of investment securities	—	(130,056)
投資業務所耗	NET CASH USED IN		
之現金淨額	INVESTING ACTIVITIES	(34,544)	(387,626)

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)
截至二零零五年十二月三十一日止年度
FOR THE YEAR ENDED 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (Restated)
	附註 Note		
融資業務	FINANCING ACTIVITIES		
償還銀行貸款	Repayment of bank loans	(625,305)	(50,000)
已付利息	Interest paid	(22,166)	(15,384)
新增銀行貸款	New bank loan raised	487,989	232,129
少數股東投資	Investments from a minority shareholder	—	12
已付股息	Dividends paid	—	(18,293)
		<hr/>	<hr/>
融資業務所(耗)產生現金淨額	NET CASH (USED IN) FROM FINANCING ACTIVITIES	(159,482)	148,464
		<hr/>	<hr/>
現金及現金等價物增加(減少)淨額	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,568	(133,512)
		<hr/>	<hr/>
年初之現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	280,474	413,986
		<hr/>	<hr/>
年終之現金及現金等價物	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
指銀行存款結餘及現金	represented by bank balances and cash	298,042	280,474
		<hr/>	<hr/>

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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

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。

董事認為新華魯抗藥業集團有限責任公司及山東新華醫藥集團有限責任公司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。

本集團主要從事開發、製造及銷售大量藥品、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.

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 and Shandong Xinhua Pharmaceutical Group Company Limited, a wholly state-owned limited liability company established in the PRC, as being the immediate holding company.

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

The Group are principally engaged in the development, manufacturing and sales of bulk pharmaceuticals, pharmaceutical preparations, chemical products and other products.

2. 採用香港財務報告準則 / 會計政策變動

於本年度，本集團首次採用多項由香港會計師公會新頒佈之香港財務報告準則、香港會計準則及詮釋(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導致綜合損益表、綜合資產負債表以及綜合權益變動表之呈列方法有所改變，尤其令有關少數股東權益及應佔聯營公司稅項之呈列方法有所改變，該等呈列方法之改變已追溯應用。以下列示在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制及呈列的影響。

金融工具

於本年度，本集團已應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定作追溯應用。於二零零五年一月一日或以後開始之年度期間生效之香港會計準則第39號，基本上不容許對財務資產及負債進行追溯性之確認、不再確認或計量。於本會計期間及以往會計期間，香港會計準則第32號之應用並沒有對本集團之金融工具產生重大影響。因實行香港會計準則第39號而產生之主要影響摘要如下：

財務資產及財務負債之分類及計量

本集團已就香港會計準則第39號所界定之財務資產及財務負債範圍內，應用有關分類及計量之過渡條文。

2. Application of Hong Kong Financial Reporting Standards / Changes in Accounting Policies

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current and prior accounting years are prepared and presented:

Financial Instruments

In the current year, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments of the Group are presented for current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

2. 採用香港財務報告準則 / 會計政策變動 (續)

財務資產及財務負債之分類及計量 (續)

截至二零零四年十二月三十一日止，本集團根據會計實務準則第24號之基準處理方法進行債務證券及股本證券之分類及計量。根據會計實務準則第24號，投資債務證券或股本證券會適當地分類為「投資證券」、「其他投資」或「持有至到期之投資」。「投資證券」乃按成本減減值損失(如有)列賬，「其他投資」乃以公平值連同損益之未變現收益及虧損計量。「持有至到期之投資」乃按已攤銷成本減減值損失(如有)列賬。自二零零五年一月一日起開始，本集團根據香港會計準則第39號將債務及股本證券分類及計量。根據香港會計準則第39號，財務資產分類為「於損益賬按公平值處理之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持有至到期之財務資產」。「於損益賬按公平值處理之財務資產」及「可供出售財務資產」以公平值列賬，公平值之變動分別確認為損益及權益。在活躍市場上並無已報市價之可供出售股本投資，其公平值無法可靠地計算，與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須於初步確認後按成本減減值損失計量。「貸款及應收款項」及「持有至到期之財務資產」於初步確認後採用實際利息法以攤銷成本計量。

於二零零五年一月一日，本集團根據香港會計準則第39號之過渡性條文對其債務及股本證券進行分類及計量。因此，金額約為人民幣171,833,000元之「投資」已於二零零五年一月一日獲分類為可供出售之投資(有關財務影響見附註2A)。

2. Application of Hong Kong Financial Reporting Standards / Changes in Accounting Policies (continued)

Classification and measurement of financial assets and financial liabilities (continued)

By 31 December 2004, the Group classified and measured its debt and equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 (SSAP 24). Under SSAP 24, investments in debt or equity securities are classified as "investment securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included in profit or loss. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1 January 2005 onwards, the Group has classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices 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 are measured at cost less impairment after initial recognition. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method after initial recognition.

On 1 January 2005, the Group classified and measured its debt and equity securities in accordance with the transitional provisions of HKAS 39. As a result, "investment securities" amounted to approximately RMB171,833,000 has been classified as "available-for-sale investments" on 1 January 2005 (see Note 2A for the financial impact).

2. 採用香港財務報告準則 / 會計政策變動 (續)

債務證券與股本證券以外之財務資產及財務負債

自二零零五年一月一日開始，本集團就債務證券及股本證券以外之財務資產及財務負債(以往不屬於會計實務準則第24號範圍)按照香港會計準則第39號之規定進行分類及計量。如前所述，香港會計準則第39號將財務資產分類為「於損益賬按公平值處理之財務資產」、「可供出售財務資產」、「貸款及應收款項」及「持有至到期日財務資產」。財務負債基本上分類為「於損益賬按公平值處理之財務負債」或「其他財務負債」。於損益賬按公平值處理之財務負債以公平值計量，公平值之變動在損益表內直接確認。「其他財務負債」於初步確認後以實際利息法按攤銷成本列賬。本集團已應用香港會計準則第39號之相關過渡性條文。然而，對本會計期間之業績之編制及呈列並無重大影響。

衍生工具及對沖

自二零零五年一月一日開始，香港會計準則第39號範圍內之所有衍生工具，不論視為持有作買賣用途或指定用作有效對沖工具，均須於每個結算日以公平值列賬。根據香港會計準則第39號，衍生工具(包括與非衍生主契約分開列賬之內含衍生工具)均視為持有作買賣用途之財務資產或財務負債，合資格並指定用作有效對沖工具者除外。有關公平值變動之相應調整視乎該等衍生工具是否指定為用作有效對沖工具，則根據被對沖項目之性質作調整。對於視為持有作買賣用途之全部衍生工具，公平值之變動於變動出現時之會計期間於損益賬內確認。本集團於二零零五年一月一日前並無任何衍生工具。由於會計政策之變動，本集團之本年度溢利上升人民幣84,000元。

2. Application of Hong Kong Financial Reporting Standards / Changes in Accounting Policies (continued)

Financial assets and financial liabilities other than debt and equity securities

From 1 January 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. The Group has applied the relevant transitional provisions in HKAS 39. However, there has been no material effect on how the results for the current accounting period are prepared and presented.

Derivatives and hedging

From 1 January 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the non-derivative host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the year in which they arise. The Group has no derivatives before 1 January 2005. As a result of the changes in accounting policy, the Group's profit for the year has increased RMB84,000.

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)

截至二零零五年十二月三十一日止年度

FOR THE YEAR ENDED 31 DECEMBER 2005

2. 採用香港財務報告準則 / 會計政策變動 (續)

業主自用土地租賃權益

於過往年度，業主自用租賃土地及樓宇乃計入物業、廠房及設備，並以重估模式計量。於本年度，本集團已應用香港會計準則第17號租賃。根據香港會計準則第17號，就租賃分類而言，租賃土地及樓宇中土地及樓宇部份乃分開計算，除非租金支出無法可靠地在土地及樓宇部份之間作出分配，則在該情況下，整份租賃一般作為融資租賃處理。倘租賃款項能夠可靠地在土地及樓宇部份之間作出分配，則土地租賃權益將重新分類為經營租賃項下之預付租賃款項，該租賃款項乃按成本列賬，並於租賃期內以直線法攤銷。此項會計政策變動已被追溯應用(有關財務影響見附註2A)。

2A. 會計政策變動之影響概要

上述會計政策變動對本年度及過往年度業績之影響如下：

2. Application of Hong Kong Financial Reporting Standards / Changes in Accounting Policies (continued)

Owner-occupied Leasehold Interest in Land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the revaluation model. In the current year, the Group has applied HKAS 17 *Leases*. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at revalued amount and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 2A for the financial impact).

2A. Summary of the Effects of the Changes in Accounting Policies

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
應佔聯營公司業績減少	Decrease in share of results of associates	(386)	—
所得稅開支減少	Decrease in income tax expenses	386	—
本年度虧損之影響	Effect in loss for the year	—	—

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)
截至二零零五年十二月三十一日止年度
FOR THE YEAR ENDED 31 DECEMBER 2005

2. 採用香港財務報告準則 / 會計政策變動 (續)

2A. 會計政策變動之影響概要 (續)

於二零零四年十二月三十一日及二零零五年一月一日應用新香港財務報告準則之累計影響概述如下：

2. Application of Hong Kong Financial Reporting Standards / Changes in Accounting Policies (continued)

2A. Summary of the Effects of the Changes in Accounting Policies (continued)

The cumulative effects of the application of the new HKFRSs on 31 December 2004 and 1 January 2005 are summarised below:

		於二零零四年		於二零零四年		於二零零五年	
		十二月三十一日	追溯	十二月三十一日	未來適用	一月一日	
		(原先呈列)	調整	(重列)	之調整	(重列)	
		As at		As at		As at	
		31 December		31 December		1 January	
		2004	Retrospective	2004	Prospective	2005	
		(originally stated)	adjustments	(restated)	adjustments	(restated)	
		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
			香港會計	香港會計		香港會計	
			準則第1號	準則第17號		準則第39號	
			HKAS 1	HKAS 17		HKAS 39	
資產負債表項目		Balance sheet items					
物業、廠房及設備	Property, plant and equipment	768,745	—	(68,551)	700,194	—	700,194
土地使用權之預付租賃款項	Prepaid lease payments on land use rights	—	—	68,551	68,551	—	68,551
投資	Investment securities	171,833	—	—	171,833	(171,833)	—
可供出售之投資	Available-for-sale investments	—	—	—	—	171,833	171,833
對資產及負債之總體影響	Total effect on assets and liabilities	940,578	—	—	940,578	—	940,578
少數股東權益	Minority interests	—	4,284	—	4,284	—	4,284
對權益之總體影響	Total effect on equity	—	4,284	—	4,284	—	4,284
少數股東權益	Minority interests	4,284	(4,284)	—	—	—	—

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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2. 採用香港財務報告準則 / 會計政策變動 (續)

2A. 會計政策變動之影響概要 (續)

於二零零四年一月一日應用新香港財務報告準則對本集團權益之財務影響概述如下：

2. Application of Hong Kong Financial Reporting Standards / Changes in Accounting Policies (continued)

2A. Summary of the Effects of the Changes in Accounting Policies (continued)

The financial effects of the application of the new HKFRSs to the Group's equity on 1 January 2004 are summarised below:

		原先呈列 As originally stated 人民幣千元 RMB'000	調整 Adjustments 人民幣千元 RMB'000 香港會計 準則第1號 HKAS 1	重列 As restated 人民幣千元 RMB'000
少數股東權益	Minority interests	—	3,968	3,968
對權益之總體影響	Total effects on equity	—	3,968	3,968

本集團並無提早應用下列已頒佈但未生效之新準則或詮釋。本公司董事預期，應用此等準則或詮釋將不會對本集團財務報表造成影響或任何重大影響。

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the financial statements of the Group.

2. 採用香港財務報告準則 /
會計政策變動 (續)

2A. 會計政策變動之影響概要
(續)

香港會計準則第1號(修訂本)
HKAS 1 (Amendment)
香港會計準則第19號(修訂本)
HKAS 19 (Amendment)
香港會計準則第21號(修訂本)
HKAS 21 (Amendment)
香港會計準則第39號(修訂本)
HKAS 39 (Amendment)
香港會計準則第39號(修訂本)
HKAS 39 (Amendment)
香港會計準則第39號及
香港財務報告準則第4號(修訂本)
HKAS 39 & HKFRS 4 (Amendments)
香港財務報告準則第6號
HKFRS 6
香港財務報告準則第7號
HKFRS 7
香港(IFRIC)－詮釋第4號
HK(IFRIC) - Int 4
香港(IFRIC)－詮釋第5號
HK(IFRIC) - Int 5

香港(IFRIC)－詮釋第6號
HK(IFRIC) - Int 6

香港(IFRIC)－詮釋第7號
HK(IFRIC) - Int 7

- 1 於二零零七年一月一日或其後開始之年度期間生效。
- 2 於二零零六年一月一日或其後開始之年度期間生效。
- 3 於二零零五年十二月一日或其後開始之年度期間生效。
- 4 於二零零六年三月一日或其後開始之年度期間生效。

2. Application of Hong Kong Financial
Reporting Standards / Changes in
Accounting Policies (continued)

2A. Summary of the Effects of the Changes in
Accounting Policies (continued)

資本披露¹
Capital Disclosures¹
精算損益、集團計劃及披露²
Actuarial Gains and Losses, Group Plans and Disclosures²
境外業務投資淨額²
Net Investment in a Foreign Operation²
預測集團內部交易之現金流量對沖會計處理法²
Cash Flow Hedge Accounting of Forecast Intragroup Transactions²
期權之公平價值²
The Fair Value Option²

財務擔保合約²
Financial Guarantee Contracts²
礦物資源之勘探及評估²
Exploration for and Evaluation of Mineral Resources²
金融工具：披露¹
Financial Instruments: Disclosures¹
釐定安排是否包括租賃²
Determining whether an Arrangement Contains a Lease²
解除運作、復原及環境修復基金所產生權益之權利²
Rights to Interests Arising from Decommissioning,
Restoration and Environmental Rehabilitation Funds²
參與特定市場所產生之負債－廢料、電力及電子設備³
Liabilities arising from Participating in a Specific Market,
Waste Electrical and Electronic Equipment³
根據香港會計準則第29號惡性通貨膨脹經濟中之
財務報告採用重述法⁴
Applying the Restatement Approach under HKAS 29
Financial Reporting in Hyperinflationary Economics⁴

- 1 Effective for annual periods beginning on or after 1 January 2007.
- 2 Effective for annual periods beginning on or after 1 January 2006.
- 3 Effective for annual periods beginning on or after 1 December 2005.
- 4 Effective for annual periods beginning on or after 1 March 2006.

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，財務報表乃按歷史成本基準編制，惟若干物業、廠房及設備、土地使用權之預付租賃款項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財務報告準則編制。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其附屬公司之財務報表。

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。

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。

3. Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis except for property, plant and equipment, prepaid lease payments on land use rights 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 its subsidiaries.

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.

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.

3. 主要會計政策 (續)

(b) 於聯營公司之權益

聯營公司之業績、資產及負債乃以會計權益法綜合入財務資料。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，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，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。額外分佔之虧損乃被撥備，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作出付款者為限被確認。

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

單獨收購之無形資產乃按成本值資本化，而從業務合併所得無形資產則按收購日公允值資本化。繼初始確認後，成本模式適用於無形資產之類別。業務中產生之無形資產，除發展費用外，不會資本化，而開支則於產生開支之期間內與利潤抵扣。

收購無形資產之可使用年期分為有限或無限。具有有限可用年期之無形資產按成本減累計攤銷及任何累計減值虧損後列賬。具有無限可使用年期之無形資產按成本列賬及不予以攤銷。

3. Significant Accounting Policies (continued)

(b) Interests in associates

The results and assets and liabilities of associates are incorporated in these 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.

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 are capitalised at cost and those acquired from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against the profit in the year in which the expenditure is incurred.

Useful lives of acquired intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are stated at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are stated at cost and not amortised.

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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3. 主要會計政策 (續)

(c) 無形資產 (續)

無形資產每年按個別或按現金產生單位水平進行減值測試。可使用年期也按年審閱，並在適用情況下按預計基準做出調整。

無形資產乃在出售時或者在預計未來可從繼續使用或出售資產中獲得經濟利益時終止確認。而終止確認無形資產所產生之盈虧(計為出售所得款項與無形資產賬面值之差額)，則於該無形資產終止確認當期之綜合損益賬中確認。

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。

研究與開發支出

研究活動支出在其發生當期確認為費用。

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溢利才確認為內部產生的無形資產。

內部產生的無形資產會在其使用壽命內以直線法進行攤銷。如果開發支出未能確認為內部產生的無形資產，則該等支出會在發生當期確認為費用。

3. Significant Accounting Policies (continued)

(c) Intangible assets (continued)

Intangible assets are tested for impairment annually either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and, where applicable, adjustments are made on a prospective basis.

As intangible asset is derecognised on disposal or no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of the intangible asset, calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset, is recognised in the income statement in the year the intangible 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.

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.

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.

3. 主要會計政策 (續)

(c) 無形資產 (續)

資產減值

無既定可使用年限的資產毋須攤銷，並須最少每年進行減值測試一次，當出現事件或情況改變顯示可能無法收回賬面值時檢討減值。當出現事件或情況改變，顯示未必可收回須攤銷資產的賬面值時，則會檢討該等資產的減值。減值虧損按資產賬面值超過可收回金額（即資產公平價值減出售成本與成本與使用價值兩者中之較高者）的差額確認。就評估減值而言，資產按可獨立識別現金流量之最低水平（現金產生單位）分類。

(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，在資產負債表上以其重估金額（即其在重估日的公允價值）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資產負債日使用公允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 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.

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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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收益表中扣除。倘減少在之前已在收益表中扣除，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收益表內。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收益表。

(e) 在建工程

在建工程指正在建設及有待安裝之物業、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)。完成建設工程之成本轉撥至適當類別之物業、廠房及設備。

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 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 income statement in the year in which the item is derecognised.

(e) 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 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 fixed assets.

3. 主要會計政策 (續)

(f) 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四個類別之其中一個，包括以透過損益以公平值列賬之財務資產、貸款及應收款項、持有至到期日之投資及可供銷售之財務資產。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)

(f) 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 four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments 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.

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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3. 主要會計政策 (續)

(f) 金融工具 (續)

透過損益以公平值列賬之財務資產

透過損益以公平值列賬之財務資產有兩類，包括持有作買賣之財務資產及於初步確認時被指定透過損益以公平值列賬之資金資產。於初步確認後之各結算日，透過損益以公平值列賬之財務資產乃按公平值計量，而公平值之變動在彼等產生之期間內即時直接在損益賬中確認。

貸款及應收款項

貸款及應收款項乃於現行市場所報之固定或可釐定付款之非衍生金融工具。於初步確認後各結算日，貸款及應收款項（包括應收賬款及票據、其他應收款項、按金及預付款項、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及現金及銀行存款結餘）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)

(f) Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

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, prepayments, deposits and other receivables, amount due from immediate holding company, amount due from an associate, pledged bank deposits and bank balances and cash) 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.

3. 主要會計政策 (續)

(f) 金融工具 (續)

可供銷售財務資產

可供銷售財務資產為於非上市股本證券中擬持有作持續策略性或長期用途之投資，乃按公允值入賬，除非該等股本證券不具有活躍之市場報價及不能可靠計量其公允值，以成本計算時須減任何累計減值虧損。

就以公允值入賬之可供銷售財務資產而言，投資公允值的變動所產生溢利或虧損作為投資重估儲備之變動入賬，直至該項投資已被銷售、徵收或出售，或直至該項投資被確認為減值在該情況下，設投資於投資重估儲備中已確認的累計溢利或虧損，將連同任何進一步的減值金額，列入減值產生期間之損益賬。

就以成本減任何累計減值虧損入賬之可供銷售財務資產而言，當有客觀證據證實投資已發生減值虧損時，投資賬面值應減至按照折現為類似財務資產之按現行市場比率進行折現之預計未來現金流量現值，而減值金額列入其產生期間之損益賬中。任何已確認減值虧損不得撥回。

3. Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are investments in unlisted equity securities which are intended to be held for a continuing strategic or long term purpose and are stated at fair value, except for those equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, when they are measured at cost less any accumulated impairment losses.

In respect of available-for-sale financial assets carried at fair value, the gains or losses arising from changes in the fair value of an investment are dealt with as movements in the investment revaluation reserve, until the investment is sold, collected, or otherwise disposed of, or until the investment is determined to be impaired, when the cumulative gain or loss derived from the investment recognised in the investment revaluation reserve, together with the amount of any further impairment, is charged to the income statement in the year in which the impairment arises.

In respect of available-for-sale financial assets carried at cost less any accumulated impairment losses, when there is objective evidence that an impairment loss has been incurred on an investment, the carrying amount of the investment should be reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset and the amount of the impairment is charged to the income statement in the year in which it arises. Any impairment losses recognised shall not be reversed.

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) 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於損益賬處理並按公平值列賬之財務負債及其他財務負債。就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、其他應付款及應計費用、應付聯營公司款項及銀行借貸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)

(f) 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 generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including trade and bills payable, other payables and accruals, amount due to an associate and 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.

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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3. 主要會計政策 (續)

(f) 金融工具 (續)

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。

就財務負債而言，則於本集團之資產負債表中移除(即倘於有關合約之特定責任獲解除、取消或到期)。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。

衍生金融工具及對沖

本集團使用衍生金融工具(主要包括遠期合約及利率掉期)對沖其外幣及利率風險。該等衍生工具乃按公平值計算，而不會考慮彼等是否被列作有效對沖工具。

本集團之衍生工具不適合對沖會計法，因而彼等被視為持作交易之財務資產或持作交易之財務負債。該等衍生工具之公平值變動直接於損益中確認。

3. Significant Accounting Policies (continued)

(f) Financial instruments (continued)

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 the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. 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 received or receivable is recognised in profit or loss.

Derivatives financial instruments and hedging

The Group uses derivatives financial instruments (primarily forward contracts and interest rate swaps) to hedge its exposure against foreign currency and interest risk. Such derivatives are measured at fair value regardless of whether they are designated as effective hedging instruments.

Derivatives of the Group do not qualify for hedge accounting thus they are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

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)

(g) 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。

(h) 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)

(g) Inventories

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

(h) 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.

3. 主要會計政策 (續)

(i) 收入確認

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。

(ii) 租約

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。

經營租約之租金收入乃按相關租約年期以直線法於損益表確認。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。

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。

3. Significant Accounting Policies (continued)

(i) Revenue recognition

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.

(ii) 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.

Rental income from operating leases is recognised in the 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.

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.

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) 外幣

於編制各個別集團實體之財務報表時，以該實體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。於各結算日，以外幣為定值之貨幣項目均按結算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，惟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)

(k) 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 its 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.

3. 主要會計政策 (續)

(k) 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結算日之適用匯率換算為本公司之列賬貨幣（如人民幣），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份（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。

(l) 政府津貼及補貼

當可以合理地確定將會收到政府津貼及補貼且所有的附帶條件均符合時，從政府獲得的津貼及補貼以其公允價值確認。當津貼或補貼與一項費用有關時，則必需將該津貼或補貼有系統地與擬補償的成本進行配比的期間內確認為收入。如果津貼或補貼與一項資產有關時，則在計算有關資產的賬面值時公允價值將予扣減。

(m) 退休福利計劃供款

國家管理退休福利計劃之供款於到期時在損益表中扣除。

3. Significant Accounting Policies (continued)

(k) 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.

(l) 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 income statement and are deducted in reporting the related expense/are reported separately as 'other operating income'.

(m) Retirement benefit costs

Payments to state-managed retirement benefit schemes are charged as an expense as they fall due.

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)

(n) 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結算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。

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。

3. Significant Accounting Policies (continued)

(n) 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 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.

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.

3. 主要會計政策 (續)

(n) 稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並在沒可能於會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。

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，管理層根據過去經驗，對前景的預測及其他資料作出下列對於財務報表中已確認之數額產生重大影響之判斷。於結算日估計不明朗因素及關鍵判斷均擁有導致財務資料中數額，討論如下：

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計及其估計剩餘價值，採用直線法估計可使用年期及剩餘價值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、廠房及設備剩餘價值及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之使用中可獲取之經濟利益。

3. Significant Accounting Policies (continued)

(n) Taxation (continued)

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.

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 judgements (other than those involving estimates) based on past experience, expectations of the future and other information. The key source of estimation uncertainty and the critical judgement 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, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and 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 the estimate is changed and the future period.

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4. 關鍵會計判斷及估計不確定性之主要來源 (續)

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。

存貨撥備

本集團管理層於結算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。本集團於結算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、股本證券及債務證券，銀行貸款。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。

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

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 its 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.

Allowances for inventories

The management of the Group reviews an aging 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.

5. 財務風險管理目標及政策 (續)

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。

利率風險

本集團之計息銀行借貸承受利率變動風險。

信貸風險

倘對方於二零零五年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面金額反映。為最大限度地降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別貿易應收款之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

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。

流動性風險

貴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。貴集團承擔之流動性風險有限。

5. Financial Risk Management Objectives and Policies (continued)

Currency risk

Several subsidiaries of the Company have foreign currency sales, 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.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest bearing bank loans.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures 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 impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

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.

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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：

6. Turnover, Revenue and Segmental Information

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

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
營業額 - 產品銷售收入	Turnover - Sales of goods	1,712,102	1,524,409
其他收入	Other operating income		
銀行利息收入	Bank interest income	4,924	5,212
聯營公司貸款利息收入	Interest income from loan to an associate	80	—
可供出售之投資利息收入	Interest income from an available-for-sale investments	6,753	—
投資利息收入	Interest income from an investment security	—	2,817
租金收入	Rental income	1,786	1,559
廢料銷售收入	Sales of scrap materials	857	1,562
買賣投資之股息收入	Dividend income from trading investments	—	467
出售物業、廠房及設備收益	Gain on disposal of property, plant and equipment	1,730	2,136
出售買賣投資之已實現收益	Realised gain on sale of trading investments	91	4,348
出售土地使用權收益	Gain on disposal of land use right	12,912	—
其他	Others	1,619	1,099
		30,752	19,200
總收入	Total revenues	1,742,854	1,543,609

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

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

		二零零五年			二零零四年		
		2005			2004		
		藥品業務	其他	總計	藥品業務	其他	總計
		Pharmaceutical business	Other operations	Total	Pharmaceutical business	Other operations	Total
		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
							(重列) (restated)
分部收入	Segment revenues	1,719,832	23,022	1,742,854	1,532,742	10,867	1,543,609
分部業績	Segment results	33,070	5,022	38,092	(25,296)	(9,734)	(35,030)
財務費用	Finance costs			(22,166)			(15,384)
應佔聯營公司業績	Share of results of associates			(2,732)			(1,938)
除稅前溢利/(虧損)	Profit (loss) before taxation			13,194			(52,352)
稅項	Taxation			(13,696)			(1,119)
本年虧損	Loss for the year			(502)			(53,471)
分部資產	Segment assets	2,040,272	140,777	2,181,049	2,061,625	230,384	2,292,009
聯營公司權益	Interests in associates	30,279	—	30,279	22,893	—	22,893
未分配資產	Unallocated corporate assets	—	—	—	—	—	538
總資產	Consolidated assets			2,211,328			2,315,440
分部負債	Segment liabilities	(833,268)	—	(833,268)	(941,681)	—	(941,681)
未分配負債	Unallocated corporate liabilities	—	—	(7,923)	—	—	(153)
總負債	Consolidated liabilities			(841,191)			(941,834)
資本開支	Capital expenditure	112,424	—	112,424	182,054	—	182,054
折舊及攤銷	Depreciation and amortisation	98,095	—	98,095	90,769	—	90,769
可供出售投資 / 證券投資之減值虧損	Impairment losses on an available-for-sale investment / an investment security	—	18,000	18,000	—	12,000	12,000
出售物業、廠房及設備收益	Gain on disposal of property, plant and equipment	(1,730)	—	(1,730)	(2,136)	—	(2,136)
出售土地使用權收益	Gain on disposal of land use right	(12,912)	—	(12,912)	—	—	—
存貨撇減至可變現淨值	Write-down of inventories to net realizable value	—	—	—	121	—	121

財務報表附註 (續)

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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

		Segment revenues 分部收入	
		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
中國(包括香港)	PRC (including Hong Kong)	1,081,298	1,005,283
歐洲	Europe	318,489	214,827
美洲	Americas	111,972	219,917
其他國家	Others	231,095	103,582
		1,742,854	1,543,609

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 PRC and therefore the analysis of segment assets and capital expenditure is not presented.

7. 財務費用

7. Finance Costs

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
銀行貸款利息	Interest on bank loans	22,406	15,384
減：政府補貼	Less: Government subsidies	(240)	—
		22,166	15,384

財務報表附註 (續)

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8. 稅項

於綜合損益表內支銷之稅項如下：

8. Taxation

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

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 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))	6,221	1,865
— 以前年度少提的準備	— under-provision in prior years	3,582	3,484
遞延稅項 (註34)	Deferred taxation (Note 34)	3,893	(4,230)
		13,696	1,119

- (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二零零五年度及二零零四年度按應課稅收入的33%繳納中國企業所得稅。

- (b) 本集團截至二零零五及二零零四十二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。

- (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 31 December 2005 and 2004.

- (b) 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 years ended 31 December 2005 and 2004.

財務報表附註 (續)

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8. 稅項 (續)

- (c) 年內之稅項開支與綜合損益表內溢利 (虧損) 對照如下：

8. Taxation (continued)

- (c) The tax charges for the year can be reconciled to the profit (loss) per the consolidated income statement as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (restated)
除稅前溢利 (虧損)	Profit (loss) before taxation	13,194	(52,352)
按稅率33% (二零零四年：33%)	Tax at domestic income tax rate of 33% (2004: 33%)	4,354	(17,276)
計算之稅項		(841)	(2,165)
中國不同稅率之影響	Effect of preferential tax rate in the PRC		
非應稅收入	Tax effect of income not subject to tax purpose	(9,030)	(235)
不可扣稅	Tax effect of expenses not deductible for tax purposes	11,018	10,970
未確認稅項虧損	Tax effect of unrecognised tax losses	4,613	1,081
以前年度少提的準備	Under-provision in prior years	3,582	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34)	Deferred tax liabilities resulting from an increase in tax rate (Note 34)	—	5,260
稅項支出	Tax charge for the year	13,696	1,119

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9. 本年度虧損

9. Loss For the Year

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000 (重列) (restated)
本年度虧損已扣除下列項目： Loss for the year has been arrived at after charging:			
廣告及宣傳費用	Advertising and promotion expenses	71,673	72,228
技術攤銷	Amortisation of technical know-how	808	780
核數師酬金	Auditors' remuneration	1,085	1,328
物業、廠房及設備折舊	Depreciation	94,816	88,163
土地使用權之預付 租賃款項攤銷	Amortisation of prepaid lease payment on land use rights	2,471	1,826
出售附屬公司虧損	Loss on disposal of a subsidiary	225	—
匯兌淨損失	Net exchange loss	—	1,319
土地及樓宇經營租賃	Operating lease rentals on land and buildings	922	1,114
呆壞賬備抵	Allowance for bad and doubtful debts	7,598	15,993
投資證券之減值 虧損(附註22)	Impairment loss on an investment security (Note 22)	—	12,000
可供出售投資 之減值虧損(附註21)	Impairment loss on an available-for-sale investment (Note 21)	18,000	—
維修及保養費用	Repairs and maintenance expenses	505	28,985
研究及開發成本	Research and development costs	19,676	9,607
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)	130,147	122,731
買賣投資之變現虧損	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
投資證券撤銷	Write-off of an investment security	—	1,500
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)	386	—
及計入： and after crediting:			
匯兌淨收益	Net exchange gain	928	—
出售物業、廠房及設備收益	Gain on disposal of property, plant and equipment	1,730	2,136
出售土地使用權收益	Gain on disposal of land use rights	12,912	—
出售買賣投資變現溢利	Realised gain on sale of trading investments	91	4,348

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10. 股息

10. Dividends

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
已派中期股息：無 (二零零四年：無)	Interim dividend paid: Nil (2004: Nil) per share	—	—
擬派末期股息： 每股人民幣0.05元 (二零零四年：無) 按307,312,830股A股及 150,000,000股H股計算	Final dividend proposed: RMB0.05 (2004: Nil) per share on 307,312,830 A Shares and 150,000,000 H Shares	22,866	—
		<u>22,866</u>	<u>—</u>

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0.05元(折合港幣0.0482元，A股含稅)。該股息有待股東於股東周年大會上批准及已於財務報表內列作股息儲備。

The final dividend of RMB0.05 per share (approximately 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 and is subject to approval by shareholders at the Annual General Meeting and has been included as a dividend reserve in these financial statements.

11. 每股基本溢利(虧損)

11. Earnings (Loss) Per Share - Basic

每股基本溢利(虧損)是根據本公司股權持有人之應佔本集團溢利人民幣1,229,000元(二零零四年：虧損人民幣52,485,000元)及按年內已發行股份之加權平均數457,312,830股(二零零四年：457,312,830股)計算。

The calculation of basic earnings (loss) per share is based on the Group's profit attributable to equity holders of the Company of RMB1,229,000 (2004: loss of RMB52,485,000) and based on the weighted average of 457,312,830 (2004: 457,312,830) shares in issue during the year.

截至二零零五年和二零零四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 basis earnings (loss) per share for the year ended 31 December 2005 and 2004 as there were no dilutive shares outstanding during the years ended 31 December 2005 and 2004.

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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)

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
薪酬及工資	Salaries and wages	85,390	83,674
員工福利及其他津貼	Staff welfare and other benefits	26,841	20,379
退休成本 - 界定 供款計劃 (附註)	Retirement costs - defined contribution plans (Note)	17,916	18,678
		130,147	122,731

附註：

本集團參與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%（二零零四年：23%）。每月個人有關收入的上限為人民幣3,534元（二零零四年：人民幣3,117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% (2004: 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 RMB3,534 (2004: RMB3,117). Contributions to this retirement scheme are charged to the 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.

財務報表附註 (續)

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13. 董事及監事酬金

已付或應付予十八位(二零零四年：十五位)董事之酬金如下：

13. Directors' and Supervisors' Emoluments

The emoluments paid or payable to each of the 18 (2004: 15) directors and supervisors were as follows:

二零零五年	袍金	工資、 花紅、津貼 及其他福利 Salaries, bonuses, allowances and other benefits	退休福利 Retirement benefits	總額 Total
2005	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
執行董事	Executive directors			
賀端湜先生	Mr. He Duanshi	—	180	9
魯省民先生(附註1)	Mr. Lu Shengmin (Note 1)	—	108	6
劉從德先生	Mr. Liu Congde	—	144	9
郭琴女士	Ms. Guo Qin	—	144	9
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	—
戴慶駿先生	Mr. Dai Qingjun	—	50	—
莫仲堃先生	Mr. Mok Chung Kwan, Stephen	—	50	—
孫華先生(附註3)	Mr. Sun Hua (Note 3)	—	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
張月順先生	Mr. Zhang Yueshun	—	20	—
陶志超先生	Mr. Tao Zhichao	—	20	—
高慶剛先生(附註4)	Mr. Gao Qinggang (Note 4)	—	108	9
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
		—	974	1,025

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

Notes:

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

財務報表附註 (續)

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13. 董事及監事酬金 (續)

13. Directors' and Supervisors' Emoluments (continued)

二零零四年	袍金	工資、 花紅、津貼 及其他福利 Salaries, bonuses, allowances and other benefits	退休福利 Retirement benefits	總額 Total
2004	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
執行董事	Executive directors			
賀端湜先生	Mr. He Duanshi	—	260	8
魯省民先生	Mr. Lu Shengmin	—	220	8
劉從德先生	Mr. Liu Congde	—	169	8
郭 琴女士	Ms. Guo Qin	—	171	8
李士祥先生(附註1)	Mr. Li Shixiang (Note 1)	—	93	6
高慶剛先生	Mr. Gao Qinggang	—	140	8
獨立非執行董事	Independent non-executive directors			
肖 瑜先生	Mr. Xiao Yu	—	50	—
戴慶駿先生	Mr. Dai Qingjun	—	50	—
莫仲堃先生	Mr. Mok Chung Kwan, Stephen	—	50	—
孫 華先生	Mr. Sun Hua	—	50	—
監事	Supervisors			
馬景星先生(附註1)	Mr. Ma Jingxing (Note 1)	—	117	8
呂忠德先生	Mr. Lü Zhongde	—	48	8
張月順先生	Mr. Zhang Yueshun	—	20	—
陶志超先生	Mr. Tao Zhichao	—	20	—
翟魯敏女士	Ms. Zhai Lumin	—	—	—
總額	Total	—	1,458	62
				1,520

附註：

1. 於二零零四年十二月二十日離任

於二零零五年及二零零四年十二月三十一日內，概無董事或監事放棄酬金。

Note:

1. Resigned on 20 December 2004

No directors or supervisors waived their emoluments in the years ended 31 December 2005 and 2004.

財務報表附註 (續)

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14. 僱員酬金

年內，五位最高薪酬人士包括兩位董事(二零零四年：五位董事)，其酬金詳情載於附註13。其餘三位(二零零四年：無)最高薪酬人士之酬金如下：

14. Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, two (2004: five) were directors, whose emoluments are set out in note 13 above. The emoluments of the remaining three (2004: Nil) highest paid individuals were as follows:—

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
工資、花紅、津貼 及其他福利	Salaries, bonuses, allowances and other benefits	465	—
退休福利計劃供款	Retirement benefits	28	—
		<u>493</u>	<u>—</u>
其酬金價介乎以下範圍：		僱員數目 Number of employees	
		二零零五年 2005	二零零四年 2004
零至人民幣1,000,000	Nil to RMB1,000,000	3	—
		<u>3</u>	<u>—</u>

財務報表附註 (續)

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15. 技術

15. Technical Know-How

RMB'000
人民幣千元

原值	COST	
於二零零四年一月一日及	At 1 January 2004 and	
二零零四年十二月三十一日	31 December 2004	5,000
增加	Addition	1,550
		<hr/>
於二零零五年十二月三十一日	At 31 December 2005	6,550
		<hr/>
攤銷	AMORTISATION	
於二零零四年一月一日	At 1 January 2004	780
本年攤銷	Charge for the year	780
		<hr/>
於二零零四年十二月三十一日	At 31 December 2004	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 31 December 2005	2,368
		<hr/>
賬面值	CARRYING VALUES	
於二零零五年十二月三十一日	At 31 December 2005	4,182
		<hr/>
於二零零四年十二月三十一日	At 31 December 2004	3,440
		<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.

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16. 物業、廠房及設備

16. Property, Plant and Equipment

		建築物 Buildings 人民幣千元 RMB'000	廠房、機器 及設備 Plant, machinery and equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
重估值	VALUATION				
於二零零四年一月一日	At 1 January 2004	313,208	793,643	18,439	1,125,290
由在建工程轉入 (附註17)	Transferred from construction-in-progress (Note 17)	15,088	51,400	—	66,488
添置	Additions	2,576	16,866	1,403	20,845
出售	Disposals	(261)	(16,007)	(2,250)	(18,518)
於二零零四年 十二月三十一日	At 31 December 2004	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 31 December 2005	402,136	958,920	13,469	1,374,525
累積折舊	ACCUMULATED DEPRECIATION				
於二零零四年一月一日	At 1 January 2004	110,632	300,826	10,596	422,054
本年度折舊	Charge for the year	13,336	72,019	2,808	88,163
出售之對銷	Eliminated on disposals	(253)	(13,936)	(2,117)	(16,306)
於二零零四年 十二月三十一日	At 31 December 2004	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 31 December 2005	129,130	423,924	8,639	561,693
賬面值	CARRYING VALUES				
於二零零五年 十二月三十一日	At 31 December 2005	273,006	534,996	4,830	812,832
於二零零四年 十二月三十一日	At 31 December 2004	206,896	486,993	6,305	700,194

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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二零零五年十二月三十一日止年度增加的折舊費用為人民幣432,000元(二零零四年：人民幣457,000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 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 of Hong Kong Limited, the Company's property, plant and equipment were firstly revalued as at 31 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 30 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 RMB432,000 (2004: RMB457,000) in respect of the year ended 31 December 2005.
- (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:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
建築物	Buildings	270,281	203,638
廠房、機器及設備	Plant, machinery and equipment	533,385	485,410
汽車	Motor vehicles	4,344	5,819
		808,010	694,867

財務報表附註 (續)

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16. 物業、廠房及設備 (續)

- (d) 於二零零五年十二月三十一日，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。由於重估值與於二零零五年十二月三十一日之賬面值並無重大差異，董事認為物業、廠房及設備於二零零五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 31 December 2005, all property, plant and equipment of the Group were revalued by the directors on a depreciated replacement cost basis. Since there are no material differences between the revaluated amount and the carrying value at 31 December 2005, the directors are of the opinion that the carrying values of property, plant and equipment at 31 December 2005 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

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
於一月一日	At 1 January	221,164	130,803
增加	Additions	79,400	156,849
轉往物業、廠房 及設備(附註16)	Transfer to property, plant and equipment (Note 16)	(178,654)	(66,488)
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 31 December	90,168	221,164

在建工程指於二零零五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。於二零零五年十二月三十一日及二零零四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使用權之訂金人民幣2,641,000元(二零零四年：人民幣34,383,000元)。

Construction-in-progress comprises expenditures incurred on buildings, plants and machinery not yet commissioned at 31 December 2005. For the years ended 31 December 2005 and 2004, no loans were borrowed for financing construction-in-progress.

Included in construction-in-progress, RMB2,641,000 (2004: RMB34,383,000) represents prepayment for purchase of land use rights in Zibo, Shandong, the PRC.

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18. 土地使用權之預付租賃款項

18. Prepaid Lease Payments on Land Use Rights

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 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	89,639	66,734
短期	Short lease	1,817	1,817
		91,456	68,551
就報告而作出之分析如下：	Analysed for reporting purposes as:		
流動資產	Current asset	2,471	1,826
非流動資產	Non-current asset	88,985	66,725
		91,456	68,551

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份款額，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。於二零零五年十二月三十一日，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31,213,000元(二零零四年：約人民幣4,184,000元)。董事認為，本集團有關物業價值不會因未獲批授該等土地權益之正式所有權而減少。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。

倘本集團之土地使用權之預付租賃款項以成本值減累計折舊入賬，該等資產之賬面值將約為人民幣91,115,000元(二零零四年：人民幣68,210,000元)。

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 31 December 2005, the carrying value of the land use rights for which the Group had not been granted formal title amounted to approximately RMB31,213,000 (2004: approximately RMB4,184,000). In the opinion of the directors, the absence of formal title to these land use rights does not impair the value of the relevant properties to the Group. The directors also believe that formal title to these land use rights will be granted to the Group in due course.

Had the prepaid lease payments on land use rights of the Group been carried at cost less accumulated amortisation, the carrying value of such prepaid lease payments on land use rights in the accounts would have been approximately RMB91,115,000 (2004: RMB68,210,000).

財務報表附註 (續)

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19. 聯營公司權益

19. Interests in Associates

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 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	34,831	24,831
應佔被投資公司收購後 之虧損及儲備	Share of post-acquisition losses and reserves	(4,552)	(1,938)
		<u>30,279</u>	<u>22,893</u>

於二零零五年十二月三十一日之聯營
公司詳情如下：

The details of the associates as at 31 December 2005 are as
follows:

公司名稱 Name of associate	股份類別 Class of shares held	註冊成立及 法定地位 Place of incorporation and kind of legal entity	註冊資本詳情 Particulars of registered capital	所持 實際權益 Effective interest held	主要業務及 經營地點 Principal activities and place of operation
淄博新華 — 百利高製藥 有限責任公司 (「新華 — 百利高」)	繳入股本	中國，有限 責任公司	美元6,000,000	50% (附註)	於中國生產藥物 及醫藥用品
SINO-USA Zibo Xinhua— Perrigo Pharmaceutical Company Limited (「Xinhua - Perrigo」)	Contributed capital	PRC, limited company	USD6,000,000	50% (Note)	Production of medicine and medical products in the PRC
山東新華隆信化工有限公司	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 銷售化學原料藥
Shandong Xinhua Longxin Chemical Co., Ltd.	Contributed capital	PRC, limited company	RMB25,000,000	40%	Manufacture and sales of bulk pharmaceuticals

附註：

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，董事認為該合營公司乃聯營公司。

Note:

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 regard the joint venture as an associate as the Company only exercises significant influence in its management.

財務報表附註 (續)

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19. 聯營公司權益 (續)

本集團聯營公司之財務資料概要呈列如下：

19. Interests in Associates (continued)

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

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
資產總值	Total assets	91,783	53,837
負債總額	Total liabilities	(25,832)	(8,050)
資產淨值	Net assets	65,951	45,787
本集團應佔聯營 公司之資產淨值	Group's share of net assets of associates	30,279	22,893
營業額	Revenue	20,471	178
年內虧損	Loss for the year	(5,131)	(3,875)
本集團應佔聯營 公司之年內業績	Group's share of results of associates for the year	(2,732)	(1,938)

20. 聯營公司貸款

20. Loan to an Associate

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
聯營公司貸款	Loan to an associate	6,921	2,481
就報告賬面值 而作分析如下：	Carrying amount analysed for reporting purposes:		
流動資產 (貸款可於資產負債日起 一年內收回) (附註26)	Current assets (receivable within 12 months from the balance sheet date) (Note 26)	2,481	—
非流動資產 (貸款可於資產負債日起 一年後收回)	Non-current assets (receivable after 12 months from the balance sheet date)	4,440	2,481
		6,921	2,481

財務報表附註 (續)

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20. 聯營公司貸款 (續)

此貸款為貸款予新華 - 百利高，有關款項無抵押，利息按市場利息計算。其中約人民幣2,481,000元於2006年7月到期，餘下貸款於2007年6月到期。董事認為此貸款於資產負債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。

20. Loan to an Associate (continued)

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

21. 可供出售之投資

於二零零五年十二月三十一日可供出售投資如下：

21. Available-for-sale Investments

Available-for-sale investments as at 31 December 2005 comprise:

		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
— 債券按固定年利率 5.27%及於二零零七年 七月到期 (附註a)	— debt securities with fixed interest of 5.27% and maturity date in July 2007 (Note a)	117,000
減：已確認減值虧損 (附註b)	Less: Impairment loss recognised (Note b)	(30,000)
總額	Total	140,777

以上投資為非上市中國股本投資，於資產負債日並非按公允值而是按成本計算減累計減值虧損入賬，原因是其沒有活躍市場報價，董事認為合理的公允值之估計存在重大可變性，以致難以合理估計各種結果出現之可能性。

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 significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

附註：

Notes:

- (a) 2004年7月，本集團投資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，而年回報率約是投資本金的5%。青島海協已於本年度歸還本金人民幣1,300萬元予本集團。

- (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 approximately 5% per annum on the investment amount. During the year, Qingdao Hisyn has repaid RMB13,000,000 principal to the Group.

財務報表附註 (續)

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21. 可供出售之投資 (續)

附註：(續)

- b) 於二零零五年十二月三十一日，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。本公司董事為此就截至二零零五年十二月三十一日止年度之投資減值確認額外減值虧損人民幣1,800萬元(二零零四年：人民幣1,200萬元)。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)

Notes: (continued)

- b) As at 31 December 2005, 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. As such, the Company's directors recognised an additional impairment loss of RMB18,000,000 (2004: RMB12,000,000) for impairment of the investment for the year ended 31 December 2005. The directors are of the opinion that the impairment is made base on their best estimation with reference to the market situation and circumstances of the securities trading company.

22. 投資

於二零零四年十二月三十一日的投資如下。於二零零五年一月一日，為符合香港會計準則第39號，本集團將投資重新指定為可供出售投資(詳情載於財務報表附註2)。

22. Investment Securities

Investment securities as at 31 December 2004 are set out below. Upon the application of HKAS 39 on 1 January 2005, investment securities were reclassified to available-for-sale investments under HKAS 39 (see note 2 for details).

		二零零四年 2004 人民幣千元 RMB'000
非上市投資，按成本值(附註a)	Unlisted investments, at cost (Note a)	183,833
減：已確認減值虧損(附註b)	Less: Impairment loss recognised (Note b)	(12,000)
		<u>171,833</u>

附註：

- (a) 非上市投資明細 — 見附註 21(a)。
(b) 減值虧損明細 — 見附註 21(b)。

Notes:

- (a) For details of the unlisted investments, see note 21(a).
(b) For details of the impairment loss, see note 21(b).

23. 存貨

23. Inventories

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
原材料	Raw materials	49,439	40,725
在製品	Work-in-progress	92,973	88,885
產成品	Finished goods	120,930	161,285
耗用品	Consumables	11,423	9,358
		<u>274,765</u>	<u>300,253</u>

以可變現淨值列賬之本集團產成品的賬面值合共人民幣8,531,000元(二零零四年：人民幣3,611,000元)。

Included in the above were finished goods of approximately RMB8,531,000 (2004: RMB3,611,000) carried at net realisable value.

財務報表附註 (續)

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24. 應收賬款及票據

24. Trade and Bills Receivables

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
應收賬款及票據	Trade and bills receivables	292,491	346,171
減：呆壞賬備抵	Less: Allowance for bad and doubtful debts	(10,770)	(21,833)
		<u>281,721</u>	<u>324,338</u>

於二零零五年十二月三十一日，已扣除備抵之應收賬款及票據的賬齡分析如下：

At 31 December 2005, the ageing analysis of the trade and bills receivables, net of allowance is as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
一年以內	Within one year	262,759	303,801
一年至二年	One to two years	15,247	16,170
二年至三年	Two to three years	3,715	4,367
		<u>281,721</u>	<u>324,338</u>

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，其中部份以客戶之備用信用證或銀行擔保作保證。

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.

於二零零五年十二月三十一日，本集團之應收賬款及票據之公允值與同期之賬面值相若。

The fair value of the Group's trade and bills receivables at 31 December 2005 approximates to the corresponding carrying amount.

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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無利息的款項。除了約人民幣9,507,000元(二零零四年：無)會於二零零六年九月歸還外，餘額須於要求時償還。於二零零五年十二月三十一日，此等款項包括貿易款項約人民幣28,991,000元(二零零四年：人民幣27,328,000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。於二零零五年十二月三十一日，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。

於資產負債表中應收直接控股公司款項的公平價值按於預算期內之現金流量及於結算日的市場流通息率折讓與賬面值相若。

25. Amount Due From Immediate Holding Company

The amount due from immediate holding company is unsecured, interest-free. Other than an amount of approximately RMB9,507,000 (2004: Nil) will be repaid in September 2006, the remaining amounts are repayable on demand. Out of the total balance at 31 December 2005, approximately RMB28,991,000 (2004: RMB27,328,000) 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 31 December 2005, the amount due from immediate holding company represents the net balance due from and to the immediate holding company and the fellow subsidiaries.

The fair value of the amount due from immediate holding company as at the balance sheet, determined based on the present value of the estimated future cash flows discounted using the prevailing market rate at the balance sheet date approximates to its carrying amount.

26. 應收聯營公司款項

26. Amount Due From an Associate

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
應收新華 - 百利高 (附註)	Amount due from Xinhua-Perrigo (Note)	554	—
聯營公司貸款 一年以內(附註20)	Loan to an associate - due within one year (Note 20)	2,481	—
		<u>3,035</u>	<u>—</u>

附註：

應收新華 - 百利高款項為無抵押、免息及須於要求時償還。

Note:

Amount due from Xinhua-Perrigo is unsecured, interest free and repayable on demand.

27. 買賣投資

27. Trading Investments

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 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

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28. 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兌匯票需按票面金額的20% - 30% 在相關銀行賬戶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，分流為流動資產。該等保證金存款之固定利率為2.07% (2004: 1.89%)，於二零零五年十二月三十一日，該存款之公平值與其賬面值相若。

28. 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 20 - 30% of the face value of the issued bills, to the banks. The deposits carry fixed interest rate of 2.07% (2004: 1.89%). The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The fair value of bank deposits at 31 December 2005 was approximated to the corresponding carrying amount.

29. 衍生金融工具

29. Derivative Financial Instruments

	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
遠期外匯合約 Foreign currency forward contracts	84	—

於二零零五年十二月三十一日，本集團已訂立以美元為單位之遠期合約。外幣遠期合約之主要條款如下：

At 31 December 2005, the Group had entered into forward contracts denominated in United States Dollar ("USD"). The major terms of the foreign currency forward contracts are as follows:

名義金額 Notional amount	到期日 Maturity	匯率 Exchange rates
沽售3,000,000美元 Sell USD3,000,000	二零零六年一月二日 2 January 2006	0.1239美元兌1人民幣 USD0.1239 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零六年二月三日 3 February 2006	0.1243美元兌1人民幣 USD0.1243 to RMB1
沽售2,500,000美元 Sell USD2,500,000	二零零六年二月六日 6 February 2006	0.1242美元兌1人民幣 USD0.1242 to RMB1
沽售2,500,000美元 Sell USD2,500,000	二零零六年二月二十八日 28 February 2006	0.1245美元兌1人民幣 USD0.1245 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零六年三月三日 3 March 2006	0.1246美元兌1人民幣 USD0.1246 to RMB1
沽售2,500,000美元 Sell USD2,500,000	二零零六年三月三十一日 31 March 2006	0.1250美元兌1人民幣 USD0.1250 to RMB1
沽售3,000,000美元 Sell USD3,000,000	二零零六年四月三日 3 April 2006	0.1250美元兌1人民幣 USD0.1250 to RMB1

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29. 衍生金融工具 (續)

上述衍生工具於各結算日按公平值計算。其公平值乃按同等工具於結算日所報之市價釐定。

29. Derivative Financial Instruments (continued)

The above derivatives are measured at fair value at each balance sheet date. Their fair values are determined based on the quoted market prices for equivalent instruments at the balance sheet date.

30. 應付賬款及票據

於二零零五年十二月三十一日，應付賬款及票據的賬齡分析如下：

30. Trade and Bills Payables

At 31 December 2005, the ageing analysis of the trade and bills payables is as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
一年以內	Within one year	340,858	302,789
一年至二年	One to two years	1,038	855
二年至三年	Two to three years	412	579
超過三年	Over three years	3,312	3,546
		<u>345,620</u>	<u>307,769</u>

於二零零五年十二月三十一日，本集團之應付賬款及票據之公允值與同期之賬面值相若。

The fair value of the Group's trade and bills payables at 31 December 2005 was approximated to the corresponding carrying amount.

31. 應付聯營公司款項

應付聯營公司款項為無抵押、免息及須於要求時償還。

31. Amount Due to an Associate

The amount due to an associate is unsecured, interest-free and repayable on demand.

32. 銀行貸款

32. Bank Loans

		長期銀行貸款 Long-term bank loans		短期銀行貸款 Short-term bank loans	
		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 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	<u>—</u>	<u>250,000</u>	<u>418,969</u>	<u>306,285</u>

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32. 銀行貸款 (續)

以上金額按市場利率。

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元按固定利率借貸，其中人民幣20,000,000元以年息率5.58%計息及人民幣200,000,000元以年息率3.78%計息。餘下銀行貸款以年息率1.76%至5.70%計息之浮動利率借貸。

於二零零四年十二月三十一日，銀行貸款包括約人民幣250,000,000元按固定利率借貸以年息3.51%計息，餘下銀行貸款以年息率1.33%至3.61%計息之浮動利率借貸。

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：

32. Bank Loans (continued)

The above amounts bear interest at prevailing market rates.

At 31 December 2005, bank loans include approximately RMB220,000,000 fixed-rate borrowings, of which RMB20,000,000 carry interest at 5.58% per annum and RMB200,000,000 carry interest at 3.78% per annum. The remaining bank loans are variable-rate borrowings which carry interest ranging from 1.76% to 5.70% per annum.

At 31 December 2004, bank loans include approximately RMB250,000,000 fixed-rate borrowings which carry interest at 3.51% per annum. The remaining bank loans are variable-rate borrowings which carry interest ranging from 1.33% to 3.61% per annum.

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

		千美元 USD'000	港幣千元 HKD'000
於二零零五年十二月三十一日	As at 31 December 2005	18,210	50,000
於二零零四年十二月三十一日	As at 31 December 2004	30,581	50,000

年內，本集團獲得新增貸款金額為人民幣487,989,000元。貸款按市場利率計息並將於二零零六年全數償還。

董事認為銀行借貸之賬面與其公平值相若。

於二零零五年及二零零四年十二月三十一日，本集團沒有未提借貸融資。

During the year, the Group obtained new loans in the amount of approximately RMB487,989,000. The loans bear interest at market rates and will be repayable in 2006.

The directors consider that the carrying amount of bank loans approximates their fair value.

As at 31 December 2004 and 2005, the Group has no undrawn borrowing facilities.

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33. 股本

33. Share Capital

二零零五年及
二零零四年
2004 & 2005
人民幣千元
RMB'000

法定股本	Registered:	
307,312,830股	307,312,830	
(二零零四年: 307,312,830股)	(2004: 307,312,830)	
A股每股面值人民幣1元	A Shares of RMB1 each	307,313
150,000,000股	150,000,000	
(二零零四年: 150,000,000股)	(2004: 150,000,000)	
H股每股面值人民幣1元	H Shares of RMB1 each	150,000
		<u>457,313</u>
已發行及繳足股本	Issued and fully paid:	
307,312,830股	307,312,830	
(二零零四年: 307,312,830股)	(2004: 307,312,830)	
A股每股面值人民幣1元分為:	A Shares of RMB1 each divided into:	
國家股	State shares	214,440
法人股	Legal person shares	16,720
個人股	Individual shares	76,153
		<u>307,313</u>
150,000,000股	150,000,000	
(二零零四年: 150,000,000股)	(2004: 150,000,000)	
H股每股面值人民幣1元	H Shares of RMB1 each	150,000
		<u>457,313</u>

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34. 遞延稅項負債

34. Deferred Tax Liabilities

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
於一月一日	At 1 January	153	4,383
在損益賬扣除(計入) (附註8)	Charge (credit) to income statement (Note 8)	3,893	(4,230)
於十二月三十一日	At 31 December	4,046	153

本集團年內遞延稅項(資產)負債之變動如下:

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

	會計準備 Accounting provisions		稅損 Tax losses		其他 Others		總計 Total	
	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
於一月一日	2,839	3,186	(3,519)	—	833	1,197	153	4,383
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
本年度損益賬扣除(計入) Charge (credit) to income statement for the year	259	(4,171)	3,519	(3,519)	115	(1,800)	3,893	(9,490)
本年度損益賬扣除(計入) Charge (credit) to income statement for the year	259	(347)	3,519	(3,519)	115	(364)	3,893	(4,230)
於十二月三十一日	3,098	2,839	—	(3,519)	948	833	4,046	153

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35. 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酒店所有權益。

出售下列各項之資產淨額：

35. Disposal of a Subsidiary

On 22 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:

二零零五年
2005
人民幣千元
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
銀行存款項及現金	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
出售之銀行存款及現金	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>

年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 had no significant impact on the Group's turnover and results of the Group.

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36. 主要非現金交易

於截至二零零五年十二月三十一日止年度內，本集團與第三方簽訂合約出售土地使用權及地上附著物之代價約人民幣19,000,000元。在扣除銷售稅及土地增值稅後，本集團應收及已收之代價淨額為人民幣16,254,000元。於二零零五年十二月三十一日，未償付金額人民幣7,000,000元已計入其他應收賬款。

37. 銀行借貸

本集團之銀行信貸總額人民幣420,000,000元(二零零四年：人民幣250,000,000元)由直接控股公司擔保。於二零零五年十二月三十一日，其中本集團已取得人民幣370,696,000元之借款(二零零四年：人民幣200,000,000元)。

38. 承擔

(a) 資本承擔

- (i) 在建工程及物業、廠房及設備承擔

於二零零五年十二月三十一日，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：

36. Major Non-Cash Transaction

During the year ended 31 December 2005, the Group entered into an agreement with a third party to dispose a land use right for a consideration of RMB19,000,000. The net consideration receive or receivable by the Group is RMB16,254,000 after deduction of sales tax and land value-added tax. As at 31 December 2005, RMB7,000,000 is unsettled and included in other receivables.

37. Banking Facilities

The Group's banking facilities of RMB420,000,000 (2004: RMB250,000,000) were guaranteed by the immediate holding company. As at 31 December 2005, approximately RMB370,696,000 of such banking facilities were utilised by the Group (2004: RMB200,000,000).

38. Commitments

(a) Capital commitments

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

At 31 December 2005, 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.

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
已簽約但未撥備	Contracted but not provided for	9,668	30,345
已批准但未簽約	Authorised but not contracted for	133,300	101,500
		142,968	131,845

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38. 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。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用於生產醫藥的技術為人民幣1,715,000元。

(b) 經營租賃承擔

(i) 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。該等物業之租約之經磋商年期由一年至五年。

於結算日，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)

(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 31 December 2004. The joint venture is engaged in trading of medicine and medical products in Europe.

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

(b) Commitments under operating leases

(i) 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:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
一年內	Within one year	193	846
第二至第五年	In the second to fifth year inclusive	132	889
五年後	Over five years	8	79
		<u>333</u>	<u>1,814</u>

財務報表附註 (續)

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38. 承擔 (續)

(b) 經營租賃承擔 (續)

(ii) 本集團作為出租人

本集團根據經營租約安排租賃廠房及辦公樓，租約之經磋商年期平均為一年。

於結算日，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 (continued)

(ii) The Group as lessor

The Group leases its factory premises and offices under operating lease arrangements, with leases negotiates for an average terms of one year.

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

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
一年內	Within one year	—	1,629
第二至第五年	In the second to fifth year inclusive	—	70
		<u>—</u>	<u>1,699</u>

財務報表附註 (續)

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39. 有關連人士交易

- (a) 除上文附註20、25、26、31及37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, 31 and 37 above, the other significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
直接控股公司：	Immediate holding company:		
— 支付許可 商標(附註)	— Payment of annual trademark licence fee (Note)	200	200
同級附屬公司：	Fellow subsidiaries:		
— 銷售製成品 及原材料	— Sale of finished goods and raw materials	19,170	28,716
— 採購原材料	— Purchase of raw materials	65,208	66,403
— 購買物業、廠房 及設備	— Purchase of property, plant and equipment	—	9,512
— 租金收入	— Rental income	1,506	1,506
— 支付勞務及 其他服務	— Payment of labour and other services	143	2,257
聯營公司：	Associates:		
— 銷售水電汽	— Sale of water, electricity and steam	367	—
— 採購原材料	— Purchase of raw materials	4,568	—
— 利息收入	— Interest income received	80	—

附註：

於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持續生效。截至二零零五年十二月三十一日止的前四個財政年度本集團支付的年費為人民幣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大部份商標許可費。

Note:

On 7 December 1996, the Group was granted the exclusive right to use the trademark "Xinhua" ("Trademark") by the Group 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 28 February 2013, subject to further renewal of the registration of the Trademark. The annual fee paid by the Group was RMB200,000 during the past four financial years ended 31 December 2005 as the immediate holding company has waived a larger part of the trademark licence fees under the trademark licence agreement.

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) 於本年度內，本集團為直接控股公司代墊費用約人民幣24,602,000元(二零零四年：人民幣21,921,000元)，而直接控股公司則按本集團的實際成本償付。截至二零零五年十二月三十一日，應收直接控股公司的相關代墊費用為人民幣9,507,000元(二零零四年：人民幣13,953,000元)。董事認為，此等款項乃是無抵押、無利息及將於二零零六年九月償還。

(c) 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：

短期福利 Short-term benefits
僱員結束服務後之福利 Post-employment benefits

	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
短期福利	1,932	2,408
僱員結束服務後之福利	148	129
	2,080	2,537

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。

39. Related Party Transactions (continued)

(b) During the year, the Group paid certain expenses on behalf of its immediate holding company totalling RMB24,602,000 (2004: RMB21,921,000), which were charged back to the immediate holding company on a cost reimbursement basis. As at 31 December 2005, the amount due from the immediate holding company in connection with such transactions amounted to RMB9,507,000 (2004: RMB13,953,000). In the opinion of the directors, the amount is unsecured, interest-free and will be repaid in September 2006.

(c) Compensation of key management personnel

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

	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
短期福利	1,932	2,408
僱員結束服務後之福利	148	129
	2,080	2,537

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

財務報表附註 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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40. 附屬公司

於二零零五年十二月三十一日之附屬公司如下：

40. Subsidiaries

Details of Company's subsidiaries as at 31 December 2005 are as follows:

公司名稱 Name of subsidiary	註冊成立 國家及法定地位 Place of incorporation and kind of legal entity	註冊資本 詳情 Issued and fully paid share capital / registered capital	實際 擁有權益 Effective interest held	主要業務及經營地點 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	46.6%	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	76.9%	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	99.8%	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%	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%	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%	於中國生產醫藥中間體 Production of medical intermediates in the PRC