

資產負債表

BALANCE SHEET

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

資產 ASSETS		附註 NOTES	合併 Consolidated		母公司 Parent company	
			2005年12月31日 End. balance 人民幣元 RMB	2004年12月31日 Beg. balance 人民幣元 RMB	2005年12月31日 End. balance 人民幣元 RMB	2004年12月31日 Beg. balance 人民幣元 RMB
流動資產：	CURRENT ASSETS:					
貨幣資金	Cash	6.1	363,190,821.79	337,932,575.24	347,545,287.09	323,545,736.94
短期投資	Short-term investments	6.2	—	58,551,045.76	—	58,551,045.76
應收票據	Notes receivable	6.3	38,055,566.10	28,870,092.76	37,308,366.10	28,660,092.76
應收股利	Dividend receivable		—	—	—	—
應收利息	Interest receivable		1,404,455.00	1,444,444.00	1,404,455.00	1,444,444.00
應收賬款	Accounts receivable	6.4	254,455,977.93	296,192,621.26	235,190,011.51	283,943,132.74
其他應收款	Other receivables	6.5	95,626,833.62	77,671,056.92	115,601,420.89	108,793,599.17
預付賬款	Advances to suppliers	6.6	13,550,818.93	12,825,964.23	6,658,886.86	8,957,899.72
存貨	Inventories	6.7	274,764,676.15	300,253,329.37	245,111,762.49	277,128,704.51
待攤費用	Prepaid expenses		—	—	—	—
一年內到期的 長期債權投資	Long-term debt investment due within a year		—	—	—	—
其他流動資產	Other current assets		—	—	—	—
流動資產合計	Sub-total of current assets		1,041,049,149.52	1,113,741,129.54	988,820,189.94	1,091,024,655.60
長期投資：	LONG TERM INVESTMENTS:					
長期股權投資	Long-term equity investment	6.8	54,056,357.79	64,726,261.98	106,076,412.99	77,273,887.97
長期債權投資	Long-term debt investment	6.8	117,075,500.00	130,075,500.00	117,075,500.00	130,075,500.00
長期投資合計	Sub-total of long-term investments		171,131,857.79	194,801,761.98	223,151,912.99	207,349,387.97
固定資產：	FIXED ASSETS:					
固定資產原值	Fixed assets - cost	6.9	1,599,263,587.11	1,421,114,352.36	1,576,496,267.39	1,418,170,280.95
減：累計折舊	Less: Accumulated depreciation	6.9	791,869,783.86	724,520,511.74	789,039,368.69	723,112,871.35
固定資產淨值	Fixed assets - NBV	6.9	807,393,803.25	696,593,840.62	787,456,898.70	695,057,409.60
減：固定資產 減值準備	Less: Provision for impairment of fixed assets		—	—	—	—
固定資產淨額	Fixed assets-net		807,393,803.25	696,593,840.62	787,456,898.70	695,057,409.60
工程物資	Construction materials		8,552,717.13	14,293,547.60	8,552,717.13	14,293,547.60
在建工程	Construction in progress	6.10	81,614,955.97	206,870,058.53	81,614,955.97	206,870,058.53
固定資產合計	Sub-total of fixed assets		897,561,476.35	917,757,446.75	877,624,571.80	916,221,015.73
無形資產及 其他資產：	INTANGIBLE AND OTHER ASSETS:					
無形資產	Intangible assets	6.11	97,310,967.48	72,169,207.78	97,310,967.48	72,169,207.78
長期待攤費用	Long-term prepayments		—	—	—	—
其他長期資產	Other long-term assets		—	—	—	—
無形資產及 其他資產合計：	Sub-total of intangible and other assets:		97,310,967.48	72,169,207.78	97,310,967.48	72,169,207.78
遞延稅項：	DEFERRED TAXES:					
遞延稅款借項	Deferred tax debit		—	—	—	—
資產總計	TOTAL ASSETS		2,207,053,451.14	2,298,469,546.05	2,186,907,642.21	2,286,764,267.08

會計報表附註為本會計報表的組成部份

The accompanying notes form an integral part of these financial statements.

資產負債表 (續)

BALANCE SHEET (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

負債和股東權益		合併		母公司	
LIABILITIES & STOCKHOLDERS' EQUITY		Consolidated		Parent company	
		2005年12月31日	2004年12月31日	2005年12月31日	2004年12月31日
		End. balance	Beg. balance	End. balance	Beg. balance
	附註	人民幣元	人民幣元	人民幣元	人民幣元
	NOTES	RMB	RMB	RMB	RMB
流動負債：	CURRENT LIABILITIES:				
短期借款	Short-term loans	6.12	418,969,306.90	306,285,118.06	418,969,306.90
應付票據	Notes payable	6.13	233,154,906.11	144,460,492.70	233,154,906.11
應付賬款	Accounts payable	6.14	120,334,178.91	163,308,798.87	96,762,486.09
預收賬款	Advances from customers	6.15	11,662,298.82	11,126,030.12	11,274,685.18
應付工資	Accrued payroll		—	—	—
應付福利費	Welfare expenses payable		15,297,220.79	15,297,220.79	15,297,220.79
應付股利	Dividend payable	6.16	5,516,030.54	6,073,630.54	5,516,030.54
應交稅金	Taxes payable	6.17	(4,017,420.94)	(5,579,213.68)	(3,135,608.38)
其他應交款	Other payables		—	—	—
其他應付款	Other amounts payable	6.18	54,045,416.09	57,825,185.31	57,488,161.35
預提費用	Accrued expenses	6.19	3,945,468.73	3,201,240.13	3,945,468.73
預計負債	Estimated liabilities		—	—	—
一年內到期的	Long-term liabilities		—	—	—
長期負債	due within a year	6.20	—	250,000,000.00	—
其他流動負債	Other current liabilities		—	—	—
流動負債合計	Sub-total of current liabilities		858,907,405.95	951,998,502.84	839,272,657.31
長期負債：	LONG TERM LIABILITIES:				
長期借款	Long-term borrowings		—	—	—
應付債券	Bonds payable		—	—	—
長期應付款	Long-term payables		—	—	—
其他長期負債	Other long-term liabilities		3,561,500.00	3,561,500.00	3,561,500.00
長期負債合計	Sub-total of long-term liabilities		3,561,500.00	3,561,500.00	3,561,500.00
遞延稅項	DEFERRED TAXES:				
遞延稅款貸項	Deferred tax credit		—	—	—
負債合計	Total liabilities		862,468,905.95	955,560,002.84	842,834,157.31
少數股東權益：	MINORITY EQUITY:				
少數股東權益	Minority equity	6.21	1,091,928.47	2,904,738.72	—
股東權益：	OWNERS' EQUITY				
股本	Paid-in stock	6.22	457,312,830.00	457,312,830.00	457,312,830.00
資本公積	Capital surplus	6.23	558,919,077.15	558,919,077.15	558,919,077.15
盈餘公積	Surplus reserve	6.24	160,207,660.67	159,424,924.74	159,980,492.82
其中：法定公益金	Including: Statutory public welfare fund		26,552,898.89	26,291,986.91	26,477,176.27
未分配利潤	Undistributed profit	6.25	167,636,170.49	163,003,055.71	167,861,084.93
其中：擬分配的現金紅利	Including: Dividend in cash to be distributed		22,865,641.50	—	22,865,641.50
未確認的投資損失	Unconfirmed investment	6.26	(1,027,247.49)	—	—
外幣報表折算差額	Foreign currency statement translation difference	6.27	444,125.90	1,344,916.89	—
股東權益合計	Total stockholders' equity		1,343,492,616.72	1,340,004,804.49	1,344,073,484.90
負債和股東權益總計	Total liabilities & stockholders' equity		2,207,053,451.14	2,298,469,546.05	2,186,907,642.21
					2,286,764,267.08

會計報表附註為本會計報表的組成部份

The accompanying notes form an integral part of these financial statements.

利潤及利潤分配表

PROFIT AND LOSS ACCOUNT AND PROFIT DISTRIBUTION

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

項目 ITEM		附註 NOTES	合併 Consolidated		母公司 Parent company	
			2005年度 Current year cumulatives 人民幣元 RMB	2004年度 Last year cumulatives 人民幣元 RMB	2005年度 Current year cumulatives 人民幣元 RMB	2004年度 Last year cumulatives 人民幣元 RMB
一、主營業務收入	Revenue from main operations	6.28	1,696,514,594.55	1,511,296,119.54	1,394,817,994.52	1,455,588,520.06
減：主營業務成本	Less: Cost of main operations	6.28	1,394,868,557.24	1,266,651,623.15	1,102,981,884.32	1,214,415,637.24
主營業務稅金及附加	Tax and surcharges for main operations	6.29	5,568,673.33	9,843,807.16	5,230,940.07	9,674,713.69
二、主營業務利潤	Profit from main operations		296,077,363.98	234,800,689.23	286,605,170.13	231,498,169.13
加：其他業務利潤	Add: Profit from other operations	6.30	2,622,370.60	3,067,648.17	2,119,856.68	2,968,710.08
減：營業費用	Less: Operating expenses		154,051,631.95	136,152,454.06	146,277,377.92	129,570,846.89
管理費用	General and administrative expenses		115,365,289.71	125,101,067.52	107,787,090.25	122,433,212.37
財務費用	Financial expenses	6.31	17,389,648.87	12,615,692.41	17,513,607.73	13,001,514.60
三、營業利潤	Operating profit		11,893,164.05	(36,000,876.59)	17,146,950.91	(30,538,694.65)
加：投資收益	Add: Investment income	6.32	(13,998,383.12)	(15,720,653.18)	(16,982,561.84)	(19,880,987.41)
補貼收入	Revenue from subsidies	6.33	214,926.08	1,098,702.58	214,926.08	1,098,702.58
營業外收入	Non-operating revenue	6.34	15,506,279.39	2,498,965.43	15,506,279.39	2,498,965.43
減：營業外支出	Less: Non-operating expenditures	6.35	1,156,046.19	3,121,154.31	1,147,988.83	3,119,254.31
四、利潤總額	Income before tax		12,459,940.21	(51,245,016.07)	14,737,605.71	(49,941,268.36)
減：所得稅	Less: Income tax		9,802,792.40	5,349,173.62	9,647,093.54	5,343,685.88
減：少數股東損益	Minority profit		(1,731,455.41)	(986,150.32)	—	—
加：未確認的投資損失	Add: Unconfirmed investment loss		1,027,247.49	—	—	—
五、淨利潤	Net income		5,415,850.71	(55,608,039.37)	5,090,512.17	(55,284,954.24)
加：年初未分配利潤	Add: Undistributed profit at the beginning of the year		163,003,055.71	236,903,608.28	163,534,149.59	237,111,617.03
六、可供分配的利潤	Profit to be distributed		168,418,906.42	181,295,568.91	168,624,661.76	181,826,662.79
減：提取法定盈餘公積	Less: Appropriation of statutory surplus reserve		521,823.95	—	509,051.22	—
提取法定公益金	Appropriation of statutory public welfare fund		260,911.98	—	254,525.61	—
七、可供股東分配利潤	Profit to be distributed to investors		167,636,170.49	181,295,568.91	167,861,084.93	181,826,662.79
減：應付優先股股利	Less: Appropriation of discretionary surplus reserve		—	—	—	—
應付普通股股利	Dividend payable on common stock		—	18,292,513.20	—	18,292,513.20
八、未分配利潤	Undistributed profit		167,636,170.49	163,003,055.71	167,861,084.93	163,534,149.59

利潤及利潤分配表 (續)

PROFIT AND LOSS ACCOUNT AND PROFIT DISTRIBUTION (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

項目 ITEM	合併 Consolidated		母公司 Parent company	
	2005年度 Current year	2004年度 Last year	2005年度 Current year	2004年度 Last year
	cumulative	cumulative	cumulative	cumulative
	人民幣元	人民幣元	人民幣元	人民幣元
	RMB	RMB	RMB	RMB
補充資料 SUPPLEMENTARY INFORMATION:				
1. 出售、處置部門或被投資單位所得收益 Gain on sale and disposal of a department or an invested enterprise	(227,757.50)	—	—	—
2. 自然災害發生的損失 Losses arising from natural disasters	—	—	—	—
3. 會計政策變更增加(或減少)利潤總額 Increase / decrease in income before tax due to a change in accounting policy	—	—	—	—
4. 會計估計變更增加(或減少)利潤總額 Increase / decrease in income before tax due to a change in accounting estimate	—	(9,376,220.18)	—	(9,376,220.18)
5. 債務重組損失 Losses arising from debt restructurings	—	—	—	—
6. 其他 Others	—	—	—	—

會計報表附註為本會計報表的組成部份

The accompanying notes form an integral part of these financial statements.

現金流量表

STATEMENT OF CASH FLOW

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

項目 ITEM	附註 NOTES	2005年度 CURRENT YEAR CUMULATIVE	
		合併數 Consolidated 人民幣元 RMB	母公司 Parent company 人民幣元 RMB
一、經營活動產生的現金流量：	CASH FLOWS FROM OPERATING ACTIVITIES:		
銷售商品、提供勞務收到的現金	Cash received from the sales of goods or rendering of services	1,433,363,717.40	1,233,426,922.11
收到的稅費返回	Refund of taxes	15,279,322.90	15,279,322.90
收到的其他與經營活動有關的現金	Other cash receipts relating to other operating activities	21,511,044.38	19,908,128.84
現金流入小計	SUB-TOTAL OF CASH INFLOWS	1,470,154,084.68	1,268,614,373.85
購買商品、接受勞務支付的現金	Cash paid for goods and services	963,676,502.88	771,482,258.92
支付給職工以及為職工支付的現金	Cash paid to and on behalf of employees	123,224,913.16	120,706,635.89
支付的各项稅費	Payments of all types of taxes	44,663,763.63	41,526,781.46
支付的其他與經營活動有關的現金	Other cash payments relating to operating activities	6.36 159,729,797.52	156,632,972.05
現金流出小計	SUB-TOTAL OF CASH OUTFLOWS	1,291,294,977.19	1,090,348,648.32
經營活動產生的現金流量淨額	NET CASH FLOWS FROM OPERATING ACTIVITIES	178,859,107.49	178,265,725.53
二、投資活動產生的現金流量：	CASH FLOWS FROM INVESTING ACTIVITIES:		
收回投資所收到的現金	Cash received from return of investment	71,642,249.38	71,642,249.38
取得投資收益所收到的現金	Cash received from return on investment	6,792,604.72	6,792,604.72
處置固定資產、無形資產和其他長期資產而收回的現金淨額	Net cash received from the sales of fixed assets, intangible assets and other long-term assets	13,323,290.00	13,323,290.00
收到的其他與投資活動有關的現金	Other cash receipts relating to investing activities		
現金流入小計	SUB-TOTAL OF CASH INFLOWS	91,758,144.10	91,758,144.10
購建固定資產、無形資產和其他長期資產所支付的現金	Cash paid to acquire fixed assets, intangible assets and other long-term assets	83,451,448.13	83,374,348.13
投資所支付的現金	Cash paid to investments	10,000,000.00	10,000,000.00
支付的其他與投資活動有關的現金	Other cash payments relating to investing activities		
現金流出小計	SUB-TOTAL OF CASH OUTFLOWS	93,451,448.13	93,374,348.13
投資活動產生的現金流量淨額	NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,693,304.03)	(1,616,204.03)
三、籌資活動產生的現金流量：	CASH FLOWS FROM FINANCING ACTIVITIES		
吸收權益性投資所收到的現金	Cash received from investments by others	1,524,060.00	—
其中：子公司吸收少數股東權益性投資收到的現金	Including: Cash received by the subsidiaries by absorbing the minorities' equity investment	1,524,060.00	—
借款所收到的現金	Cash received from borrowings	287,339,480.33	287,339,480.33
收到的其他與籌資活動有關的現金	Other cash receipts relating to financing activities	2,971,892.49	2,971,892.49
現金流入小計	SUB-TOTAL OF CASH INFLOWS	291,835,432.82	290,311,372.82
償還債務所支付的現金	Cash repayments of amounts borrowed	419,587,970.30	419,587,970.30
分配股利、利潤和償付利息所支付的現金	Cash paid for distribution of dividends or profits and for interest expenses	22,532,661.51	22,532,661.51
支付的其他與籌資活動有關的現金	Other cash payments relating to financing activities	7,690,861.17	7,690,861.17
現金流出小計	SUB-TOTAL OF CASH OUTFLOWS	449,811,492.98	449,811,492.98
籌資活動產生的現金流量淨額	NET CASH FLOWS FROM FINANCING ACTIVITIES	(157,976,060.16)	(159,500,120.16)
四、匯率變動對現金的影響	EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE ON CASH	(1,622,357.92)	(840,712.36)
五、現金及現金等價物淨增加額	NET INCREASE IN CASH AND CASH EQUIVALENTS	17,567,385.38	16,308,688.98

後附會計報表附註為本會計報表的組成部份。

The accompanying notes form an integral part of these financial statements.

現金流量表 (續)

STATEMENT OF CASH FLOW (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

現金流量表補充資料

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2005

SUPPLEMENTARY INFORMATION

項目 ITEM	附註 NOTES	2005年度 CURRENT YEAR CUMULATIVE	
		合併數 Consolidated 人民幣元 RMB	母公司 Parent company 人民幣元 RMB
1. 將淨利潤調節為經營活動的現金流量：	RECONCILIATION OF NET INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES		
淨利潤	Net income	5,415,850.71	5,090,512.17
減：未確認的投資損失	Less: Unconfirmed investment loss	1,027,247.49	—
加：少數股東損益	Add: Minority profit	(1,731,455.41)	—
計提的資產損失準備	Provisions for impairment of assets	25,597,536.36	25,532,232.53
固定資產折舊	Depreciation of fixed assets	94,382,893.45	92,888,070.67
無形資產攤銷	Amortization of intangible assets	3,611,783.00	3,611,783.00
長期待攤費用攤銷	Amortization of long-term prepayments		
待攤費用減少(減：增加)	Decrease (increase) in expenses to be apportioned		
預提費用增加(減：減少)	Increase (decrease) in drawing expenses in advance	744,228.60	744,228.60
處置固定資產、無形資產和其他長期資產的損失(減：收益)	Losses on disposal of fixed assets, intangible assets and other long-term assets (or deduct: gains)	(15,521,742.99)	(15,521,742.99)
固定資產報廢損失	Losses on scrapping of fixed assets	879,377.11	879,377.11
財務費用	Financial expenses	22,405,905.13	22,405,905.13
投資損失(減：收益)	Investments losses (or deduct: gains)	(4,001,616.88)	(1,017,438.16)
遞延稅款貸項(減：借項)	Deferred tax credit (or deduct: debit)		
存貨的減少(減：增加)	Decrease in inventories (or deduct: increase)	25,488,653.22	32,016,942.02
經營性應收項目的減少(減：增加)	Decrease in operating receivables (or deduct: increase)	(21,818,656.40)	(11,604,769.53)
經營性應付項目的增加(減：減少)	Increase in operating payables (or deduct: decrease)	44,433,599.08	23,240,624.98
其他	Others	—	—
經營活動產生的現金流量淨額	NET CASH FLOWS FROM OPERATING ACTIVITIES	178,859,107.49	178,265,725.53
2. 不涉及現金收支的投資和籌資活動：	INVESTING AND FINANCING ACTIVITIES THAT DO NOT INVOLVE CASH RECEIPTS AND PAYMENTS:		
債務轉為資本	Conversion of debt into capital	—	—
一年內到期的可轉換公司債券	Convertible bonds to be expired within one year	—	—
融資租入固定資產	Fixed assets under finance lease	—	—
3. 現金及現金等價物淨增加情況：	NET INCREASE IN CASH AND CASH EQUIVALENTS		
現金及現金等價物的期末餘額	Cash and cash equivalents at the end of the period	6.1 298,041,418.46	282,395,883.76
減：現金及現金等價物的期初餘額	Less: Cash and cash equivalents at beginning of the period	6.1 280,474,033.08	266,087,194.78
現金及現金等價物淨增加額	NET INCREASE IN CASH AND CASH EQUIVALENTS	17,567,385.38	16,380,688.98

後附會計報表附註為本會計報表的組成部份。

The accompanying notes form an integral part of these financial statements.

資產減值準備明細表

STATEMENT OF PROVISION

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

資產減值準備明細表(合併)

STATEMENT OF PROVISION FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2005 (Consolidated)

項目		2004年12月31日	本期增加數	本期轉回數	本期轉出數	2005年12月31日
ITEM		Beginning balance	Addition for	Reversal for	Transferred out	Ending balance
		人民幣元	人民幣元	人民幣元	人民幣元	人民幣元
		RMB	RMB	RMB	RMB	RMB
1. 壞賬準備合計	Total amounts of					
	bad debts provided	25,593,193.70	7,597,536.36	156,965.72	20,054,349.31	13,293,346.47
其中：應收賬款	Including: Account Receivable	21,832,587.35	6,373,401.42	156,965.72	17,593,120.69	10,769,833.80
其他應收款	Other Receivables	3,760,606.35	1,224,134.94	—	2,461,228.62	2,523,512.67
2. 短期投資跌價準備合計	Total amounts of short-term investments write-down provided	11,448,954.24	—	—	11,448,954.24	—
其中：股票投資	Including: Stock investment	—	—	—	—	—
基金投資	Bond investment	11,448,954.24	—	—	11,448,954.24	—
3. 存貨跌價準備合計	Total amounts of inventory write-down provided	2,506,110.99	—	—	—	2,506,110.99
其中：產成品	Including: Goods on hand	2,506,110.99	—	—	—	2,506,110.99
原材料	Raw materials	—	—	—	—	—
4. 長期投資減值準備合計	Total amounts provided for impairment of long-term investments	12,000,000.00	18,000,000.00	—	—	30,000,000.00
其中：長期股權投資	Including: Long-term equity investment	12,000,000.00	18,000,000.00	—	—	30,000,000.00
長期債權投資	Long-term debt investment	—	—	—	—	—
5. 固定資產減值準備合計	Total amounts provided for impairment of fixed assets	—	—	—	—	—
其中：房屋、建築物	Including: Buildings and structures	—	—	—	—	—
機器設備及其他	Equipment and machinery	—	—	—	—	—
6. 無形資產減值準備	Provision for impairment of intangible assets	—	—	—	—	—
其中：專利權	Including: Patents	—	—	—	—	—
商標權	Trade marks	—	—	—	—	—
7. 在建工程減值準備	Provision for impairment of construction in progress	—	—	—	—	—
8. 委託貸款減值準備	Provision for impairment of designated loan receivable	—	—	—	—	—
9. 總計	Total	51,548,258.93	25,597,536.36	156,965.72	31,503,303.55	45,799,457.46

後附會計報表附註為本會計報表的組成部份

The accompanying notes form an integral part of these financial statements.

資產減值準備明細表 (續)

STATEMENT OF PROVISION (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

資產減值準備明細表(母公司)

STATEMENT OF PROVISION FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2005 (Parent company)

項目		2004年12月31日	本期增加數	本期轉回數	本期轉出數	2005年12月31日
ITEM		Beginning balance	Addition for	Reversal for	Transferred out	Ending balance
		人民幣元	人民幣元	人民幣元	人民幣元	人民幣元
		RMB	RMB	RMB	RMB	RMB
1. 壞賬準備合計	Total amounts of					
	bad debts provided	25,519,509.55	7,532,232.53	156,965.72	20,054,349.31	13,154,358.49
其中：應收賬款	Including: Account Receivable	21,758,903.20	6,308,097.59	156,965.72	17,593,120.69	10,630,845.82
其他應收款	Other Receivables	3,760,606.35	1,224,134.94	—	2,461,228.62	2,523,512.67
2. 短期投資跌價準備合計	Total amounts of short-term					
	investments write-down					
	provided	11,448,954.24	—	—	11,448,954.24	—
其中：股票投資	Including: Stock investment	—	—	—	—	—
基金投資	Bond investment	11,448,954.24	—	—	11,448,954.24	—
3. 存貨跌價準備合計	Total amounts of inventory					
	write-down provided	2,506,110.99	—	—	—	2,506,110.99
其中：產成品	Including: Goods on hand	2,506,110.99	—	—	—	2,506,110.99
原材料	Raw materials	—	—	—	—	—
4. 長期投資減值準備合計	Total amounts provided					
	for impairment of					
	long-term investments	12,000,000.00	18,000,000.00	—	—	30,000,000.00
其中：長期股權投資	Including: Long-term					
	equity investment	12,000,000.00	18,000,000.00	—	—	30,000,000.00
長期債權投資	Long-term debt investment	—	—	—	—	—
5. 固定資產減值準備合計	Total amounts provided for					
	impairment of fixed assets	—	—	—	—	—
其中：房屋、建築物	Including: Buildings and structures	—	—	—	—	—
機器設備及其他	Equipment and machinery	—	—	—	—	—
6. 無形資產減值準備	Provision for impairment					
	of intangible assets	—	—	—	—	—
其中：專利權	Including: Patents	—	—	—	—	—
商標權	Trade marks	—	—	—	—	—
7. 在建工程減值準備	Provision for impairment of					
	construction in progress	—	—	—	—	—
8. 委託貸款減值準備	Provision for impairment of					
	designated loan receivable	—	—	—	—	—
9. 總計	Total	51,474,574.78	25,532,232.53	156,965.72	31,503,303.55	45,660,469.48

後附會計報表附註為本會計報表的組成部份

The accompanying notes form an integral part of these financial statements.

會計報表註釋

NOTES TO THE ACCOUNTS

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

一. 公司的基本情況

山東新華製藥股份有限公司(下稱「本公司」)於1993年由山東新華製藥廠改制設立。1996年12月本公司以香港為上市地點，公開發行中華人民共和國H股股票。1997年7月本公司以深圳為上市地點，公開發行中華人民共和國A股股票。1998年11月經中華人民共和國對外貿易經濟合作部批准後，轉為外商投資股份有限公司。2001年9月經批准增發A股普通股票3,000萬股，同時減持國有股300萬股。

截至2005年12月31日，本公司的註冊資本為人民幣45,731萬元，股本結構如下：

1. Background of the Company

Shandong Xinhua Pharmaceutical Company Limited (hereinafter referred to as the "Company") was established in 1993 as the result of the reorganization of Shandong Xinhua Pharmaceutical Factory. The Company issued its H Shares at Hong Kong Stock Exchange in December 1996 and listed its A Shares at Shenzhen Stock Exchange in July 1997. The Company became a foreign invested joint stock company in November 1998 upon approval by the Ministry of Foreign Trade and Economic Cooperation of P.R. China. The Company issued additional 30 million ordinary A shares as approved and decreased 3 million state-held shares in September 2001.

The registered capital of the Company as of 31 December 2005 is RMB457.31 million and its share capital as of 31 December 2005 consists of the following:

		股份數額 Shares	股本金額 Amount	比例 Ratio
國家股	State-held shares	214,440	214,440	46.89%
社會法人股	Legal-person shares	16,720	16,720	3.66%
社會公眾H股	Publicly-held H shares	150,000	150,000	32.80%
社會公眾A股	Publicly-held A shares	76,153	76,153	16.65%
合計	Total	457,313	457,313	100%

本公司主要從事開發、製造和銷售化學原料藥、製劑及化工產品。

The Company is mainly engaged in developing, manufacturing and selling bulk pharmaceuticals, preparations and chemicals products.

根據山東省科學技術廳魯科高字(2001) 647號文件的通知，本公司被確認為高新技術企業。

According to the Circular "Lu Ke Gao Zi (2001) No. 647" issued by Shandong Provincial Bureau of Science & Technology, the Company has been recognized as a new and high-tech company.

本公司註冊地在山東省淄博市高新技術產業開發區化工區。

The Company's place of registration is the Chemical Area in Zibo New and High Technology Industrial Development Zone, Shandong Province.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

二. 會計報表編報基準

- 1 本公司根據中華人民共和國財政部頒佈的《企業會計準則》和《企業會計制度》的規定編制會計報表。
- 2 合併會計報表編制方法
 - 2.1 合併範圍的確定原則：
本公司將投資額佔被投資企業有表決權資本總額50%以上，或雖不足50%但擁有實際控制權的被投資企業，納入合併會計報表範圍。
 - 2.2 合併會計報表所採用的會計方法：本公司合併會計報表是按照財政部《合併會計報表暫行規定》及有關補充規定的要求編制，合併時合併範圍內的所有重大內部交易和往來業已抵銷。

2. Basis of Presentation

- 1 Financial statements have been prepared in conformity with the Accounting Principles for Business Enterprises and the Accounting System for Business Enterprises promulgated by the Ministry of Finance.
- 2 Methods of preparing consolidated financial statements
 - 2.1 Scope of consolidation: The consolidated financial statements include the financial statements of the Company and its subsidiaries in which the Company holds 50% or more of the voting capital, or holds less than 50% of the voting capital but substantial control over them.
 - 2.2 Consolidated financial statements have been prepared in accordance with the Provisional Regulations on Consolidated Financial Statements and relevant supplementary regulations issued by MOF. All significant transactions and balances between the Company and its subsidiaries are eliminated for the purpose of consolidation. (See Section 5 'Majority-Owned Subsidiaries and Associates')

三. 主要會計政策和會計估計

- 1 會計年度

本公司會計年度自每年一月一日起至十二月三十一日止。
- 2 記賬基礎及計價原則

本公司會計報表以權責發生制為記賬原則，除特別說明外，各項資產均以取得時的實際成本計價。
- 3 記賬本位幣

本公司以人民幣為記賬本位幣。

3. Significant Accounting Policies and Accounting Estimates

- 1 Accounting year

The accounting year of the Company is from 1 January to 31 December of each calendar year.
- 2 Principles of Accounting and basis of valuation

Financial statements have been prepared on an accrual basis and all the assets are stated at actual cost of acquisition unless otherwise indicated.
- 3 Reporting currency

The Company's reporting currency is Renminbi ("RMB").

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

三. 主要會計政策和會計估計 (續)

4 外幣業務核算方法

本公司外幣業務按業務發生當月一日中國人民銀行公佈的市場匯率折算為人民幣記賬。外幣貨幣資產和負債，於資產負債表日按期末匯率調整，由此產生的匯兌損益計入當期損益；屬於籌建期間的計入長期待攤費用；與購建固定資產有關的，按借款費用資本化的原則處理。

5 現金等價物的確定標準

現金等價物是指本公司持有的期限短（一般是指從購買日起三個月內到期）、流動性強、易於轉換為已知金額現金、價值變動風險很小的投資。

6 短期投資核算方法

6.1 短期投資計價方法：短期投資在取得時按投資成本計量，其中，以現金購入的短期投資，按實際支付的全部價款扣除已宣告但尚未領取的現金股利或債券利息作為投資成本；投資者投入的短期投資，按投資各方確認的價值作為投資成本。

3. Significant Accounting Policies and Accounting Estimates (continued)

4 Foreign currency translation

Foreign currency transactions for the year are translated into RMB at the rate of exchange quoted by the People's Bank of China on the first day of the month in which the transactions occurred. Foreign currency monetary assets and liabilities are translated into RMB at the rate of exchange prevailing at the balance sheet date. The resulting exchange differences are accounted for as exchange gains or losses of the period, the differences arising from the organization period are accounted for as long-term prepaid expenses, and the difference arising from borrowings related to the acquisition or construction of a fixed asset are treated according to the Principle of Capitalization of Borrowing Costs.

5 Cash equivalents

Cash equivalents are short-term (usually due within three months from the date of purchase), highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

6 Short-term investments

6.1 Short-term investments are recorded at the cost of acquisition. The cost of a short-term investment acquired in cash is determined based on the total amount paid after deductions of cash dividends that are declared but not received or interest on bonds. The cost of a short-term investment made by investors is determined based on the amount as agreed by all the investors concerned.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

三. 主要會計政策和會計估計 (續)

6 短期投資核算方法 (續)

6.2 短期投資收益確認方法：短期投資持有期間所收到的股利、利息等收益，不確認為投資收益，作為沖減投資成本處理。出售短期投資所獲得的價款，減去短期投資賬面價值以及尚未收到的已計入應收項目的股利、利息等後的餘額，作為投資收益或損失，計入當期損益。

6.3 短期投資跌價準備的確認標準和計提方法：本公司期末對短期投資按成本與市價孰低的原則計量，當期末短期投資成本高於市價時，計提短期投資跌價準備。具體計提時，一般按單項投資計提跌價準備。

7 應收賬款壞賬損失核算方法

7.1 壞賬的確認標準和核算方法：a. 債務單位撤銷、破產、資不抵債、現金流量嚴重不足、發生嚴重自然災害等導致停產而在可預見的時間內無法償付債務等；b. 債務單位逾期未履行償債義務超過3年；c. 其他確鑿證據表明確實無法收回或收回的可能性不大。

3. Significant Accounting Policies and Accounting Estimates (continued)

6 Short-term investments (continued)

6.2 Dividends and interests on short-term investments during the holding period are reported as reductions of the cost of investments when received, and not recognized as investment income. Proceeds from sale of short-term investments net of their carrying amount and dividends and interests accrued but not received are recorded as investment income or loss for the period.

6.3 Short-term investments are stated at the lower of cost or market value at the end of the accounting period. A provision for short-term investment impairment is made on any difference between the cost and lower market value at the end of the period usually on the item-by-item basis.

7 Bad Debts Provision

7.1 The accounts receivable are recognized as bad debts when: (a) the debtor is dissolved or declared bankruptcy or becomes insolvent or is badly in short of cash flows, or it ceases production due to the occurrence of a severe natural disaster and therefore cannot repay its debt in the foreseeable future; (b) the debtor has not serviced its debts due for over 3 years; and (c) there is other absolute proof that the debts cannot be recovered or are least likely to be recovered.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

三. 主要會計政策和會計估計 (續)

7 應收賬款壞賬損失核算方法 (續)

7.2 壞賬準備的核算方法：
本公司壞賬損失採用備抵法核算，期末按賬齡分析法計提壞賬準備，計入當期損益。對於有確鑿證據表明確實無法收回的應收款項，經本公司董事會或股東大會批准後列作壞賬損失，沖銷提取的壞賬準備。

應收賬款壞賬準備計提比例一般為：

賬齡	比例
1年以內	0.5%
1 – 2年	20%
2 – 3年	60%
3年以上	100%

其他應收款除與關聯公司的往來外一般採用與應收賬款一致的原則計提壞賬準備。對於特別款項，在對其收回可能性具體評估後計提壞賬準備。

8 存貨

存貨主要包括原材料、在產品、產成品、庫存商品、低值易耗品和包裝物等。

8.1 存貨取得的計價方法：
購入原材料以買價加運輸、裝卸、保險等費用作為實際成本；自製半成品和產成品以製造和生產過程中發生的各項實際支出作為實際成本。

3. Significant Accounting Policies and Accounting Estimates (continued)

7 Bad Debts Provision (continued)

7.2 Bad debt losses are accounted for using the allowance method. Provision for doubtful accounts is made on the aging basis at the end of the period, and reported in the income statement of the period. Accounts receivables that cannot be recovered has been written off as bad debt losses after approval at the board of directors' or stockholders' meeting, and reported as reductions of provision for doubtful accounts.

Provision for bad debts losses are made as follows:

Aging	Bad debts percentage
Less than 1 year	0.5%
1 to 2 years	20%
2 to 3 years	60%
Over 3 years	100%

Provision for bad debts losses of other receivables (other than those from related parties) is made in the same way as for accounts receivables. Provision for special receivables is made after assessing their collectibility.

8 Inventories

Inventories mainly include raw materials, work-in-process, finished products, goods in stock, low-value consumables and packaging materials.

8.1 Raw materials are stated at the cost of purchase price plus freight, loading and unloading charges, and insurance premiums. The cost of self-made semi-products and finished products include various expenditures actually incurred during production.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

8 存貨 (續)

- 8.2 存貨發出的計價方法：領用和銷售原材料、自製半成品和產成品採用加權平均法核算。
- 8.3 低值易耗品及包裝物在領用時一次攤銷計入成本。
- 8.4 期末存貨計價原則及存貨跌價準備確認標準和計提方法：期末存貨按成本與可變現淨值孰低原則計價；期末在對存貨進行全面盤點的基礎上，對於存貨因遭受毀損、全部或部份陳舊過時或銷售價格低於成本等原因，預計其成本不可收回的部份，提取存貨跌價準備。存貨跌價準備按單個存貨項目的成本高於其可變現淨值的差額提取，可變現淨值按估計售價減去至完工估計將要發生的成本、估計銷售費用和稅金後確定。

3. Significant Accounting Policies and Accounting Estimates (continued)

8 Inventories (continued)

- 8.2 The valuation of raw materials, self-made semi-products and finished products is made on a weighted-average basis when they are shipped and sold.
- 8.3 Low-value-consumables and packaging materials are expensed as incurred.
- 8.4 Inventories are stated at the lower of cost or market value at the end of the period. When the cost of inventories is higher than their recoverable amount because they are damaged, completely or partially obsolescent, or with a selling price lower than the cost, a provision for inventory write-down is made after a thorough examination of inventories at the end of the period. The provision is made on the difference between the cost of inventory items and their lower net realizable value on an item-by-item basis. Net realizable value refers to the amount of an estimated selling price less the estimated costs of completion and estimated selling expenses and taxes.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

9 長期投資核算方法

長期投資包括長期股權投資和長期債權投資等。

9.1 長期股權投資

9.1.1 長期股權投資的計價及收益確認方法：長期股權投資在取得時按實際支付的價款或確定的價值作為初始成本。本公司對投資額佔被投資企業有表決權資本總額20%以下，或雖佔20%或20%以上但不具有重大影響的股權投資，採用成本法核算；對投資額佔被投資企業有表決權資本總額20%或20%以上，或雖不足20%但具有重大影響的股權投資，採用權益法核算。

9.1.2 長期股權投資差額的核算方法：初始投資成本與投資時應享有被投資企業所有者權益份額之間的差額，作為股權投資差額，分別情況進行會計處理：初始投資成本大於應享有被投資單位所有者權益份額的差額，按一定的期限攤銷計入損益。合同規定了投資期限的，按投資期限平均攤銷；合同沒有規定投資期限的，股權投資差額按不超過10年平均攤銷。初始投資成本小於應享有被投資單位所有者權益份額的差額，計入資本公積。

3. Significant Accounting Policies and Accounting Estimates (continued)

9 Long-term investments

Long-term investments include long-term equity investments and long-term debt investments.

9.1 Long-term equity investments

9.1.1 The initial cost of long-term equity investments is the total amount paid or determined on acquisition. The Company applies the cost method for long-term investments when it holds less than 20% of the voting capital of the investee company, or it holds 20% or more but does not have significant influence over the investee company. The equity method applies when the Company holds 20% or more of the voting capital of the investee company, or it holds less than 20% but exercises significant influence over the investee company.

9.1.2 The difference between the initial investment cost and the Company's share of shareholder's equity of the investee company is treated as excess cost over book value acquired, and accounted for as follows: If the initial investment cost is greater than the Company's share of the shareholder's equity of the investee company, the difference is amortized and reported in the income statement over a defined period. If the investment period is specified in the contract, the difference is amortized evenly over the period. If the investment period is not specified in the contract, the difference is amortized evenly over a period of no more than 10 years. If the initial investment cost is less than the Company's share of the shareholder's equity of the investee company, the difference is recognized in the capital reserve account.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

9 長期投資核算方法 (續)

9.2 長期債權投資

9.2.1 長期債權投資的計價和收益確認方法：長期債權投資按取得時的實際成本作為初始投資成本，以支付現金取得的長期債券投資，按實際支付的全部價款減去尚未領取的債券利息，作為初始投資成本。長期債權投資按權責發生制原則按期計提應計利息，計入投資收益。

9.2.2 債券投資溢價和折價的攤銷方法：本公司將債券投資初始投資成本減去相關費用及已到付息期但尚未領取的債券利息和未到期的債券利息後，與債券面值之間的差額，作為債券溢價或折價，在債券存續期內於確認相關利息收入時，按直線法分期攤銷。

9.3 長期投資減值準備的確認標準和計提方法：本公司期末對由於市價持續下跌或被投資企業經營狀況惡化等原因導致其可收回金額低於賬面價值，並且這種降低的價值在可預計的未來期間內難以恢復，該可收回金額低於長期投資賬面價值的差額，計入長期投資減值準備。

3. Significant Accounting Policies and Accounting Estimates (continued)

9. Long-term investments (continued)

9.2 Long-term debt investments

9.2.1 The initial cost of long-term debt investment is the total amount paid on acquisition. The initial cost of long-term debt investment acquired in cash is the total amount paid less interest on bonds accrued yet not received. Interest on bonds is accrued and included in investment income on the accrual basis.

9.2.2 The difference between 1) the initial cost of a long-term bond investment less related expenses and interest due but not received and interest accrued yet not due, and 2) the face amount of bonds is treated by the Company as premium or discount on the bond investment. The premium or discount is amortized on a straight-line basis over the period in which the investment is held when interest revenue is recognized.

9.3 If the recoverable amount of the investment is lower than its carrying amount as a result of a continuing decline in market value or changes in operating conditions of the investee company and is irrecoverable in the foreseeable future, the Company provides for the impairment of long-term investments for the difference between the recoverable amount and the carrying amount of the investment.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

10 固定資產和在建工程核算方法

10.1 固定資產

10.1.1 固定資產的分類和確認標準：固定資產包括房屋建築物、機器設備和運輸設備等。固定資產是指使用期限在一年以上的房屋、建築物和其他主要生產經營設備，以及單位價值在人民幣2,000元以上並且使用期限超過兩年的非主要生產經營設備。

10.1.2 固產資產的計價：固定資產按其成本作為入賬價值，其中，外購的固定資產的成本包括買價、增值稅、進口關稅等相關稅費，以及為使固定資產達到預定可使用狀態前所發生的可直接歸屬於該資產的其他支出。投資者投入的固定資產，按投資各方確認的價值作為入賬價值。

3. Significant Accounting Policies and Accounting Estimates (continued)

10 Fixed assets and construction-in-progress

10.1 Fixed assets

10.1.1 Fixed assets include buildings, machinery equipment, and transportation equipment. Fixed assets are assets with a useful life over one year, such as buildings and other major equipment used in production, and those that are not major equipment used in production but with a unit value over RMB2,000 and useful live over 2 years.

10.1.2 Fixed assets are recorded at the cost of acquisition. The cost of fixed assets purchased include the purchasing price, VAT, import duty, and other expenditures necessary to bring the fixed assets into their usable conditions. Fixed assets invested by investors are recorded at an amount as agreed upon by all the investors concerned.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

3. Significant Accounting Policies and Accounting Estimates (continued)

10 固定資產和在建工程核算方法 (續)

10 Fixed assets and construction-in-progress (continued)

10.1 固定資產 (續)

10.1 Fixed assets (continued)

10.1.3 固定資產折舊方法：除已提足折舊仍繼續使用的固定資產，本公司對所有固定資產計提折舊。計提折舊時採用平均年限法計算，預計淨殘值率為5%，固定資產分類折舊年限、折舊率如下：

10.1.3 Fixed assets (excluding those fully depreciated yet still used in operation) are depreciated on a straight-line basis with the estimated net residual value at 5%. The life and rate of depreciation for different classes of fixed assets are as follows:

類別 Items	折舊年限 Useful lives	年折舊率 Annual depreciation rate
房屋建築物 Buildings & constructions	20年 20 Years	4.75%
機器設備 Machinery & equipment	10年 10 Years	9.5%
電子儀器 Electronic apparatus	5年 5 Years	19%
辦公設備及運輸工具 Office equipment and vehicles	5年 5 Years	19%

10.1.4 本公司對於實質上已發生了減值（如功能過剩、開工長期不足、重置價值大幅度下降、固定資產收益率遠低於正常的資金收益率等）的固定資產，按該資產可變現值低於賬面淨值的差額計提減值準備，對於存在下列情況之一的固定資產，應當計提減值準備：

10.1.4 The Company provides for impairment of the fixed assets that are actually impaired (e.g., because of excessive capacity, longtime inefficient utilization, significantly decrease in replacement value, return on fixed assets much lower than the normal return of funds), based on the excess of the carrying amount of the assets over their realizable value. Provision for impairment of fixed assets is made in the following events:

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

10 固定資產和在建工程核算方法 (續)

10.1 固定資產 (續)

- 1) 固定資產市價大幅度下跌，其跌幅大大高於因時間推移或正常使用而預計的下跌，並且預計在近期內不可能恢復；
- 2) 固定資產陳舊過時或發生實體損壞等；
- 3) 固定資產預計使用方式發生重大不利變化，如計劃終止或重組該資產所屬的經營業務、提前處置資產等情形，從而對本公司產生負面影響的；
- 4) 所處經營環境，如技術、市場、經濟或法律環境，或者產品營銷市場在當期發生或在近期發生重大變化，並對本公司產生負面影響的；
- 5) 同期市場利率等大幅度提高，進而很可能影響計算固定資產可收回金額的折現率，並導致固定資產可收回金額大幅度降低的；
- 6) 其他有可能表明資產已發生減值的情況等。

3. Significant Accounting Policies and Accounting Estimates (continued)

10 Fixed assets and construction-in-progress (continued)

10.1 Fixed assets (continued)

- 1) The market value of fixed assets has declined significantly more than expected as a result of the passage of time or normal use and the declined value is not expected to be recovered in the near future;
- 2) Fixed assets have become obsolete or physically damaged;
- 3) Significant adverse changes in the expected utilization of fixed assets with a negative effect on the Company, including the Company's plans to discontinue or restructure the operation to which the fixed assets belong, or to dispose of the fixed assets before the originally expected dates;
- 4) Significant changes with an adverse effect on the Company have taken place or will take place in the near future in the technological, market, economic or legal environments in which the Company operates, or in the market to which the products are dedicated;
- 5) Market interest rates have increased significantly in the period and the increases are likely to affect the discount rate used in calculating the assets' recoverable amount and therefore decrease the fixed assets' recoverable amount to a material extent;
- 6) Other situations that indicate the impairment of fixed assets.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

10 固定資產和在建工程核算方法 (續)

10.2 在建工程

10.2.1 在建工程的計價：本公司按實際發生的支出確定工程成本。自營工程按直接材料、直接工資、直接施工費等計量；出包工程按應支付的工程價款等計量；設備安裝工程按所安裝設備的價值、安裝費用、工程試運轉等所發生的支出等確定工程成本。

10.2.2 在建工程結轉固定資產的時點：本公司建造的固定資產在達到預定可使用狀態之日起，根據工程預算、造價或工程實際成本等，按估計的價值結轉固定資產，次月起開始計提折舊。待辦理了竣工決算手續後再作調整。

3. Significant Accounting Policies and Accounting Estimates (continued)

10 Fixed assets and construction-in-progress (continued)

10.2 Construction in progress

10.2.1 The cost of construction-in-progress is determined according to expenditures actually incurred. The cost of construction work undertaken by the Company itself is determined according to direct materials cost, direct labor cost, and direct construction expenses; the cost of construction work undertaken by a third party is determined according to amount paid to the contractor; and the cost of equipment installation construction is determined according to the cost of equipment, installation charges and test run expenses.

10.2.2 Construction in progress is transferred to fixed assets at the date of reaching its usable conditions at an estimated amount based on the budget price, the amount paid to the contractor or actual cost of construction. The asset will be depreciated from the second month after it is put into use. The estimated value of the asset and its accumulated depreciation is adjusted after going through the procedures for the final accounts of project completion.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

10 固定資產和在建工程核算方法 (續)

10.2.3 工程減值準備的確認標準和計提方法：本公司於每年年度終了，對在建工程進行全面檢查，當存在下列一項或若干項情況時，按該項工程可收回金額低於其賬面價值的差額計提減值準備，計提時按工程項目分別計提。

- 1) 長期停建並且預計在未來3年內不會重新開工的在建工程；
- 2) 所建項目無論在性能上，還是在技術上已經落後，並且給本公司帶來的經濟利益具有很大的不確定性；
- 3) 其他足以證明在建工程已經發生減值的情形等。

3. Significant Accounting Policies and Accounting Estimates (continued)

10. Fixed assets and construction-in-progress (continued)

10.2.3 The Company conducts a thorough inspection of construction-in-progress at the year-end and makes a provision for impairment on any excess of the carrying amount of construction-in-progress over its recoverable amount on the item-by-item basis on occurrence of one or several of the following situations:

- 1) Construction-in-progress suspended for quite a long time and not to be resumed within 3 years;
- 2) Construction-in-progress is obsolete in terms of function and technology, and there is great uncertainty of bringing economic benefits to the Company;
- 3) Other situations indicating the impairment of construction-in-progress.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

11 借款費用的會計處理方法

11.1 借款費用資本化的確認原則：借款費用包括因借款而發生的利息、折價或溢價的攤銷和輔助費用，以及因外幣借款而發生的匯兌差額。除為購建固定資產的專門借款所發生的借款費用外，其他借款費用均於發生當期計入當期財務費用。當以下三個條件同時具備時，為購建固定資產而借入的專門借款所發生的借款費用開始資本化：

- 1) 資產支出已經發生；
- 2) 借款費用已經發生；
- 3) 為使資產達到預定可使用狀態所必要的購建活動已經開始。

11.2 借款費用資本化的期間：為購建固定資產所發生的借款費用，滿足上述資本化條件的，在該固定資產達到預定可使用狀態前所發生的，計入所購建固定資產成本，在達到預定可使用狀態後所發生的，於發生當期直接計入財務費用。

3. Significant Accounting Policies and Accounting Estimates (continued)

11 Borrowing costs

11.1 Borrowing costs include interests incurred by the Company in connection with the borrowings, amortization of premium or discount-plus auxiliary expenses, and foreign exchange translation differences from foreign currency borrowings. Other borrowing costs, except for special borrowing costs incurred for the acquisition or construction of a fixed asset, is charged directly as financial expenses in the period incurred. Special borrowing costs incurred for acquisition or construction of a fixed asset are capitalized when the following three conditions are fully satisfied:

- 1) Expenditures for the asset are being incurred;
- 2) Borrowing costs are being incurred; and
- 3) Acquisition and construction that are necessary to enable the asset reach its expected usable condition have commenced.

11.2 The borrowing cost incurred for an asset acquired or constructed in compliance with the above conditions is capitalized before the asset has reached its expected usable condition and is charged as financial expenses after the asset has reached its expected usable condition.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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三. 主要會計政策和會計估計 (續)

12 無形資產計價及攤銷方法

12.1 無形資產的計價方法：無形資產在取得時，按實際成本計量。購入的無形資產，按實際支付的價款作為實際成本；投資者投入的無形資產，按投資各方確認的價值作為實際成本；自行開發並按法律程序申請取得的無形資產，按依法取得時發生的註冊費、聘請律師費等費用作為無形資產的實際成本，在研究與開發過程中發生的材料、工資及其他費用直接計入當期損益。

12.2 無形資產攤銷方法和期限：無形資產自取得當月起按預計使用年限、合同規定的受益年限和法律規定的有效年限三者中最短者分期平均攤銷，計入當期損益。合同、法律均未規定年限的，攤銷年限不超過10年。本公司的無形資產分為土地使用權、專利權、非專利技術、商標權等，其中土地使用權按受益出讓年限50年攤銷，軟體使用權按預計受益年限5年攤銷。

3. Significant Accounting Policies and Accounting Estimates (continued)

12 Valuation and amortization of intangible assets

12.1 Intangible assets are recorded at the actual cost of acquisition. Intangible assets purchased are recorded at the amount actually paid; intangible assets contributed by an investor are recorded at an amount agreed by all the investors; and intangible assets developed by the Company itself with the legal title obtained (i.e., patent) are recorded at the amount of registration fees and legal fees incurred at the time of acquisition. Expenses incurred during the process of research and development such as materials, labor and others are expensed as incurred in the relevant period.

12.2 The cost of intangible assets of the Company is amortized evenly over the amortization period not longer than the shortest of the expected useful life, the beneficial period as specified in the contract or the useful life specified in the law, and is charged as gains or losses of the period. Intangible assets are amortized from the month of acquisition. The amortization period shall not exceed 10 years given the lack of any specification in the contract or law. The Company's intangible assets include land use rights, patents, non-proprietary technologies, and trademarks etc. The land use right is amortized over a period of 50 years, and the software use right is amortized over a beneficial period of 5 years.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

三. 主要會計政策和會計估計 (續)

12 無形資產計價及攤銷方法 (續)

12.3 無形資產減值準備的確認標準和計提方法：
本公司期末對存在下列一項或若干項情況的無形資產，按其預計可收回金額低於賬面價值的差額計提無形資產減值準備：

- 1) 已被其他新技術所代替，使其為本公司創造經濟利益的能力受到重大不利影響；
- 2) 市價在當期大幅下跌，在剩餘攤銷年限內預期不會恢復；
- 3) 已超過法律保護期限，但仍然具有部份使用價值；
- 4) 其他足以證明實際上已經發生減值的情形等。

3. Significant Accounting Policies and Accounting Estimates (continued)

12. Valuation and amortization of intangible assets (continued)

12.3 The Company provides for impairment of intangible assets impairment for the excess of the carrying amount of the asset over its recoverable amount on occurrence of one or several of the following circumstances:

- 1) An intangible asset has been replaced by a new technology and its ability to bring economic benefits to the Company has been adversely affected;
- 2) The drastic decline in the market value of an intangible asset occurred during the period is not likely to be recovered during the remaining amortization period;
- 3) An intangible asset whose legal protection period expires but can still be used to a certain extent; and
- 4) Other circumstances indicating the impairment of intangible asset.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

三. 主要會計政策和會計估計 (續)

13 收入的確認

本公司的營業收入主要為銷售商品收入，其收入確認原則系以產品所有權上的主要風險和報酬已經轉移給購貨方，本公司不再對該產品實施繼續管理權和控制權，相關的收入已經收到或取得了收款的證據，與產品相關的成本能夠可靠的計量為標誌確認收入的實現。

14 所得稅的會計處理方法

本公司所得稅採用應付稅款法核算。

四. 稅項

本公司適用的主要稅種及稅率如下：

1 所得稅

本公司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復；從2004年起，本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。

本公司的控股子公司淄博新華三和化工有限公司所得稅適用稅率為15%，其他控股子公司所得稅適用稅率為33%。

3. Significant Accounting Policies and Accounting Estimates (continued)

13 Revenue Recognition

The Company's operating revenues are mainly revenues from sale of goods. Revenues are recognized when the Company 1) has transferred to the buyer the substantial risks and rewards of ownership of the goods, 2) neither retains continuing managerial involvement nor exercises control over the goods sold, 3) has received or obtained the evidence of payment, and 4) the relevant costs can be measured reliably.

14 Accounting for Income Tax

The Company applies the taxes payable method in accounting for income tax.

4. Taxes

Major taxes and tax rates applicable to the Company are as follows:

1 Income tax

According to the document (State Revenue Issue [1994] No. 151 "The Notice of Applying favourable tax policies for the new and high technology companies") issued by State Bureau of Revenue, the Company is subject to an income tax rate of 15% starting from 2002 because its place of registration is the chemical zone in Zibo Municipal New and High Technology Industrial Development Zone, Shandong Province, and approved by the local department of revenue. The Company is subject to 15% income tax for operating income generated from the development zone and 33% income tax for operating income generated outside the development zone from 2004, and has put on records in the local department of revenue.

Zibo Xinhua Sanhe Chemical Industry Co. Ltd, a company in which the Company holds controlling interests, is subject to 15% income tax, while the other subsidiaries of the Company are subject to 33% income tax.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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四. 稅項 (續)

2 增值稅

本公司商品銷售收入適用增值稅，其中：內銷商品銷項稅率為17%、13%，外銷商品增值稅執行免抵退政策。

購買原材料等所支付的增值稅進項稅額可以抵扣銷項稅，稅率一般為17%。

增值稅應納稅額為當期銷項稅抵減當期進項稅後的餘額。

3 城建稅及教育費附加

本公司城建稅、教育費附加和地方教育費附加均以應納增值稅、營業稅額為計稅依據，適用稅率分別為7%、3%和1%。

4 房產稅

本公司自用房產以房產原值的70%為計稅依據，適用稅率為1.2%。出租房產以租金收入為計稅依據，適用稅率為12%。

4. Taxes (continued)

2 Value added tax

The Company is subject to value added tax for its sales revenues at a VAT rate of 17% or 13% for domestic sales and 0% for export sales.

In purchasing raw materials, the input VAT is deductible against output VAT at the rate of 17%.

The VAT payable for the period is the amount of output VAT less input VAT.

3 Urban maintenance & construction tax and education surcharges

Urban maintenance & construction tax and education surcharges are based on the sum of VAT payable and sales tax payable, at the rates of 7%, 3% and 1% respectively.

4 Property tax

Property tax is levied based on 70% of the original cost of the building property of the Company at a rate of 1.2%. The Company is subject to a 12% tax rate for rental income from leasing its building property.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

五. 控股子公司及合營企業

1 截至2005年12月31日，本公司的控股子公司及合營公司情況如下：

公司名稱	註冊資本	投資金額	持股比例	主營業務	是否合併
Company name	Registered capital	Amount	Ratio	Principal operations	Consolidated or not
淄博新華大藥店連鎖有限公司	200萬元人民幣	176萬元人民幣	88%	藥品零售	是
Zibo Xinhua Drug Store Chain Company Limited	RMB2,000,000	RMB1,760,000	88%	Retail of pharmaceuticals	Y
淄博新華三和化工有限公司	50萬美元	35萬美元	70%	醫藥中間體等化工產品的研發、生產和銷售	是
Zibo Xinhua Sanhe Chemical & Industrial Company Limited	USD500,000	USD350,000	70%	Research, production & sale of pharmaceuticals & Chemicals	Y
淄博新華醫藥設計院有限公司	200萬元人民幣	180萬元人民幣	90%	醫藥工程設計	是
Zibo Xinhua Pharmaceutical Design Institute	RMB2,000,000	RMB1,800,000	90%	Pharmaceuticals project design	Y
東營新華大藥店有限公司	90萬元人民幣	47.70萬元人民幣	53%	藥品零售	是
Dongying Xinhua Pharm. Company Limited	RMB900,000	RMB477,000	53%	Pharmaceutical retail	Y
山東新華製藥(歐洲)有限公司	65萬歐元	50萬歐元	76.9%	經營醫藥原料及中間體	是
Shandong Xinhua Pharmaceutical (European) GmbH	EUR650,000	EUR500,000	76.9%	Pharmaceutical retail	Y
淄博新華一百利高製藥有限責任公司	600萬美元	300萬美元	50%	生產、銷售布洛芬原料藥	否
Sino-USA Zibo Xinhua - Perrigo Pharmaceutical Company Limited	USD6,000,000	USD3,000,000	50%	Producing & sales of Ibuprofen materials	N
山東新華醫藥貿易有限公司	4,849.89萬元人民幣	4,752.89萬元人民幣	98%	藥品銷售	是
Shandong Xinhua Pharmaceutical Trade Company Limited	RMB48,498,900	RMB47,528,900	98%	Drug sales	Y

5. Majority-Owned Subsidiaries and Associates

1 As of 31 December, 2005, the detailed list of the majority-owned subsidiaries and associates of the Company is as follows:

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

五. 控股子公司及合營企業 (續)

- 1) 淄博新華大藥店連鎖有限公司(原名「淄博新華大藥店有限公司」, 2003年12月變更為現名, 以下簡稱「淄博大藥店」)成立於1999年7月, 由本公司和山東新華醫藥集團有限責任公司共同出資組建, 原註冊資本為人民幣100萬元, 2002年9月公司註冊資本變更為200萬元人民幣, 出資各方股權比例分別為88%和12%。
- 2) 淄博新華三和化工有限公司(以下簡稱「三和化工」)成立於2002年10月, 由本公司與日本共和藥品株式會社、北京三田化工技術開發有限公司共同出資組建, 註冊資本為50萬美元, 出資各方股權比例分別為70%、25%、5%。
- 3) 淄博新華醫藥設計院有限公司(以下簡稱「新華設計院」)成立於2002年3月, 由本公司和山東新華醫藥集團有限責任公司共同出資組建, 註冊資本為200萬元人民幣, 出資各方股權比例分別為90%和10%。

5. Majority-Owned Subsidiaries and Associates (continued)

- 1) Zibo Xinhua Drug Store Chain Company Limited was incorporated in July, 1999 with the registered capital contributed by the Company and Xinhua Pharmaceutical Group Company Limited, which hold 88% and 12% of the registered capital respectively. The original registered capital was RMB1,000,000 and it was increased to RMB2,000,000 in September 2002.
- 2) With a registered capital of USD500,000, Zibo Xinhua Sanhe Chemical & Industrial Company Limited was formed in October 2002 by the Company, Japan Gonghe Pharmaceutical Company Limited and Beijing Santian Chemical Tech. Company Limited, which hold 70%, 25% and 5% of equity interests respectively.
- 3) With a registered capital of RMB2,000,000, Zibo Xinhua Pharmaceutical Design Institute was formed in March 2002 by the Company and Xinhua Pharmaceutical Group Company Limited, which hold 90% and 10% of the registered capital, respectively.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

五. 控股子公司及合營企業 (續)

- 4) 東營新華大藥店有限公司(以下簡稱「東營大藥店」)成立於2002年3月,由本公司的控股子公司淄博新華大藥店連鎖有限公司和東營市藍鯨科技開發有限公司共同出資組建,註冊資本為90萬元人民幣,出資各方股權比例分別為53%和47%。
- 5) 山東新華製藥(歐洲)有限公司(以下簡稱「新華歐洲公司」)成立於2003年11月25日,由本公司和德意志聯邦共和國LI PENG先生共同出資組建,註冊資本100萬歐元,出資各方股權比例分別為70%和30%。該公司註冊地址為德國漢堡市,記賬本位幣為歐元。2005年3月,根據新華歐洲公司董事會決議,該公司註冊資本變更為65萬歐元,出資各方股權比例變更為76.90%和23.10%。

5. Majority-Owned Subsidiaries and Associates (continued)

- 4) With a registered capital of RMB900,000, Dongying Xinhua Pharmaceutical Company Limited was formed in March 2002 by Zibo Xinhua Drug Store Chain Company Limited (a majority-owned subsidiary of the Company) and Dongying Lanjing Tech. Company Limited, which hold 53% and 47% of equity interests respectively.
- 5) ShanDong Xinhua Pharmaceutical (European) GmbH was established on 25 November 2003. It was jointly invested by the Company and Mr. LI PENG from Germany. The registered capital was 1 million Euros. The Company holds 70% of equity interests, while Mr. LI PENG owns 30%. This company was incorporated in Hamburg, Germany. This company's reporting currency is Euro. In March 2005, the registered capital of the Company was changed to EUR650,000 according to the resolution of the Board of Directors' meeting, and the share of equity interest held by the Company and Mr. LI PENG was changed to 76.90% and 23.10% respectively.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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(根據中國會計準則編制)

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五. 控股子公司及合營企業 (續)

- 6) 淄博新華一百利高製藥有限責任公司(以下簡稱「新華一百利高公司」)成立於2003年9月11日，由本公司和美國百利高國際公司共同出資組建，註冊資本600萬美元，出資各方股權比例均為50%。該公司註冊地址為山東省淄博市高新技術產業開發區化工區，記賬本位幣為人民幣。新華一百利高公司系合營企業，本公司並不具有實質控制權，因此無需合併其會計報表。
- 7) 山東新華醫藥貿易有限公司成立於2004年8月30日，由本公司及控股子公司淄博大藥店共同出資組建，原註冊資本人民幣500萬元，出資各方股權比例分別為98%和2%；2005年3月該公司註冊資本新增4,349.89萬元，由本公司以實物方式增加出資4,262.89萬元，淄博大藥店以現金方式增加出資87.00萬元，變更後各方股權比例不變。

5. Majority-Owned Subsidiaries and Associates (continued)

- 6) Sino-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited (hereinafter referred to as the Xinhua-Perrigo) was established by the Company and American Perrigo International Company on 11 September 2003, a foreign invested joint company. With a registered capital of USD6 million, each party hold 50% of equity interests. This joint venture was incorporated in the Chemical Area in Zibo New and High Technology Industrial Development Zone, Shandong Province. This company's reporting currency is RMB. Since Xinhua-Perrigo is a joint company, and the Company has no substantial control, it is no need to consolidate its financial statement.
- 7) With a registered capital of RMB5 million, Shandong Xinhua Pharmaceutical Trade Company Limited was established on 30 August 2004 by the Company and Zibo Xinhua Drug Store Chain Company Limited (a majority-owned subsidiary of the Company), which hold 98% and 2% of the registered capital, respectively. In March 2005, the registered capital increased by 43,498,900, among which, 42,628,900 was contributed by the Company in tangible assets, and 870,000 was contributed by Zibo Xinhua Drug Store Chain Company Limited in cash. The share of equity interest held by each shareholder remains unchanged.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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五. 控股子公司及合營企業 (續)

2 合併會計報表範圍變化

與上年相比，本年度合併會計報表未包括上年納入合併範圍的德州新華泰康大藥店有限公司。本公司之子公司淄博新華大藥店連鎖有限公司於2005年4月將其持有的德州新華泰康大藥店有限公司60%股權以151千元轉讓給自然人張書濤。由於德州新華泰康大藥店有限公司會計報表對本公司無重大影響，本公司從2005年1月1日開始未合併其會計報表，此事項使本年合併報表資產總額減少625千元，負債減少59千元。

5. Majority-Owned Subsidiaries and Associates (continued)

2 Changes of scope of consolidation

The Company's consolidated financial statement doesn't include Dezhou Xinhua Taikang Pharmaceutical Company Limited, which was included in last year's report. The Company's subsidiary, Zibo Xinhua Pharmaceutical Company Limited, sold 60% of the Dezhou Xinhua Taikang Pharmaceutical Company Limited equity interest it held to a natural person Zhangshutao at a price of 151,000. Since the financial statement of Dezhou Xinhua Taikang Pharmaceutical Company Limited has no significant effect on the Company's, it was not included in the consolidated financial statement from 1 January 2005, which results in a decrease in assets of RMB625,000 and decrease in liabilities of RMB59,000 for the consolidated financial statement in 2005.

六. 合併會計報表主要項目註釋

6. Notes to the Consolidated Account

1 貨幣資金

1 Cash & Cash Equivalents

		2005.12.31	2004.12.31
現金	Cash on hand	48	56
銀行存款	Cash in bank	280,414	233,410
其他貨幣資金	Other fund	82,729	104,467
合計	Total	<u>363,191</u>	<u>337,933</u>
其中：現金及現金等價物合計	Including: Cash and cash equivalents	298,042	280,474

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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六. 合併會計報表主要項目註釋 (續)

1 貨幣資金 (續)

- 1) 期末銀行存款餘額中包括如下外幣存款：
(1) 美元活期存款 4,200,939.74美元；
(2) 歐元活期存款 284,161.65歐元。上述外幣存款均按照國家外管局公佈的2005年12月31日外匯匯率折算為人民幣反映，其中美元匯率 8.0702；歐元匯率 9.5797。
- 2) 期末其他貨幣資金餘額中有64,702千元為銀行承兌匯票保證金存款，根據本公司與銀行簽訂的銀行承兌協議及匯票承兌合同，本公司開具的銀行承兌匯票需按票面金額的20% - 30%在相關銀行賬戶存入銀行承兌匯票保證金。
- 3) 期末其他貨幣資金餘額中有447千元為信用證保證金存款。
- 4) 期末其他貨幣資金餘額中有17,580千元為存放於天同證券淄博新村西路營業部的存出投資款。此投資款已於2006年1月收回。

6. Notes to the Consolidated Account (continued)

1 Cash & Cash Equivalents (continued)

- 1) The ending balance of cash in bank includes:
a. USD4,200,939.74 in current account;
b. EUD284,161.65 in current account. The above foreign currency deposits are translated into RMB at the rate of exchange quoted by the State Administration of Foreign Exchange on 31 December 2005, such as USD exchange rate is 8.0702; EUD exchange rate is 9.5797.
- 2) The ending balance of other fund includes RMB64,702,000 as bank acceptance deposit, according to the acceptance agreement between the Company and banks and acceptance contract, the Company should deposit 20% - 30% of the face value of bank acceptance in relevant bank.
- 3) The ending balance of other fund includes RMB447,000 as deposit for letter of credit.
- 4) The ending balance of other fund includes RMB17,580,000 as the return investment amount deposited at the Zibo Xincunxi Road of Tianton Securities Company Limited. The investment amount have been withdrawn in January 2006.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

2 短期投資

2 Short-Term Investments

		2005.12.31				2004.12.31			
		投資金額	跌價準備	投入時間	所得收益	投資金額	跌價準備	投入時間	所得收益
		Cost	Provision for the impairment	Time of investment	Income	Cost	Provision for the impairment	Time of investment	Income
博時價值增長基金	Boshi Value Growth	0	0	—	0	50,000	8,989	2004.4	0
易方達50基金	Yifangda 50 Fund	0	0	—	0	20,000	2,460	2004.3	0
合計	Total	<u>0</u>	<u>0</u>		<u>0</u>	<u>70,000</u>	<u>11,449</u>		<u>0</u>

截至2005年12月31日，本公司已出售所持有的全部基金。

As of 31 December 2005, the company has sold all owned fund.

3 應收票據

3 Notes Receivable

		2005.12.31	2004.12.31
銀行承兌匯票	Bank acceptance	<u>38,056</u>	<u>28,870</u>

應收票據的到期日為2006年1月至2006年6月期間，期末無抵押、貼現和逾期匯票。

The notes receivable will become due from January 2006 to June 2006. There are no bank acceptance pledged, discounted or overdue.

4 應收賬款

4 Accounts Receivable

		2005.12.31			2004.12.31		
			比例%	壞賬準備		比例%	壞賬準備
			Ratio	Bad debts provision		Ratio	Bad debts provision
一年以內	Less than 1 year	242,153	91.30%	1,222	277,021	87.11%	1,366
一至二年	1 to 2 years	12,140	4.58%	2,444	22,498	7.07%	6,328
二至三年	2 to 3 years	9,389	3.54%	5,560	10,941	3.44%	6,573
三年以上	Over 3 years	1,544	0.58%	1,544	7,565	2.38%	7,565
合計	Total	<u>265,226</u>	<u>100%</u>	<u>10,770</u>	<u>318,025</u>	<u>100%</u>	<u>21,832</u>

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

4 應收賬款 (續)

- 1) 期末應收賬款餘額較上年減少較大，主要原因是本期控制應收賬款餘額，加大收入回款力度，同時年末核銷部份壞賬所致。
- 2) 期末應收賬款餘額中欠款前五名單位金額總計為人民幣70,369千元，佔應收賬款餘額比例為26.53%。
- 3) 本年度按照本公司的壞賬核銷政策核銷了主要為3年以上應收賬款人民幣17,593千元。
- 4) 期末應收賬款餘額中無持有本公司5%及以上表決權股份的股東單位的欠款。
- 5) 期末應收賬款餘額中包含已向銀行質押借入短期借款的應收外幣債權人民幣1,695千元。

4 Accounts Receivable (continued)

- 1) The ending balance of accounts receivable has decreased significantly from that of the last year, mainly because that the Company takes more measures to collect receivable in order to keep the balance at a lower level and part of the bad debts are written off in the year end.
- 2) The ending balance of accounts receivable includes RMB70,369,000 due from the top five debtors, accounting for 26.53% of the total balance accounts receivable.
- 3) RMB17,593,000 of accounts receivable aged over 3 years is written off this year according to the Company's accounting policy.
- 4) In the ending balance, there are no account receivables due from shareholders who hold 5% or more of the Company's voting capital.
- 5) The ending balance of accounts receivable includes RMB1,695,000 of foreign currency receivable pledged to secure short-term loans.

5 其他應收款

5 Other Receivables

		2005.12.31	比例 % Ratio	壞賬準備 Bad debts provision	2004.12.31	比例 % Ratio	壞賬準備 Bad debts provision
一年以內	Less than 1 year	78,979	80.47%	32	65,051	79.88%	400
一至二年	1 to 2 years	6,494	6.62%	308	4,982	6.12%	106
二至三年	2 to 3 years	4,465	4.55%	132	9,526	11.70%	1,382
三年以上	Over 3 years	8,212	8.36%	2,051	1,873	2.30%	1,873
合計	Total	98,150	100%	2,523	81,432	100%	3,761

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

5 其他應收款 (續)

- 1) 期末其他應收款餘額較上年增加較大，主要原因是本公司增加對山東寶源投資有限公司的應收土地轉讓款7,000千元(詳見附註十二)，增加對新華一百利高公司的借款人民幣4,440千元。
- 2) 期末其他應收款餘額中持本公司46.89%股份的股東山東新華醫藥集團有限責任公司欠款為人民幣9,507千元。
- 3) 期末其他應收款餘額中欠款前五名單位金額總計為人民幣58,557千元，佔其他應收款餘額比例為59.66%。
- 4) 期末其他應收款餘額中包括了應收所得稅返還、預提出口增值稅等項目，該等餘額未計提壞賬準備。
- 5) 本年度按照本公司的壞賬核銷政策核銷3年以上其他應收款人民幣2,461千元。

6 預付賬款

		2005.12.31	比例 Ratio	2004.12.31	比例 Ratio
一年以內	Less than 1 year	13,498	99.61%	12,734	99.28%
一至二年	1 to 2 years	53	0.38%	68	0.53%
二至三年	2 to 3 years	0	0.00%	24	0.19%
合計	Total	<u>13,551</u>	<u>100%</u>	<u>12,826</u>	<u>100%</u>

6. Notes to the Consolidated Account (continued)

5 Other Receivables (continued)

- 1) The ending balance of other receivables has increased significantly from that of last year, mainly because: a) a land use right was transferred to Shandong Baoyuan Investment Limited Company (see Note 12 for details), resulting in an increase in receivable by RMB7,000,000; b) the loan to Xinhua-Perrigo Pharm. Company Limited increased by RMB4,440,000.
- 2) The ending balance of other receivables includes RMB9,507,000 due from Shandong Xinhua Group Company Limited who holds 46.89% of the Company's shares.
- 3) The balance of other receivables due from the top five debtors is RMB58,557,000, accounting for 59.66% of the total balance of other receivables.
- 4) The ending balance of other receivables includes income tax refund receivable, accrued export VAT, etc. No bad debts provision is made on these items.
- 5) RMB2,461,000 of other receivables aged over 3 years is written off this year according to the Company's accounting policy.

6 Advances to Suppliers

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

6 預付賬款 (續)

- 1) 賬齡一年以上未收回的預付賬款主要是尚未結清的材料款。
- 2) 預付賬款期末餘額中無持有本公司5%及以上表決權股份的股東單位的欠款。

6 Advances to Suppliers (continued)

- 1) Advance payments aged over one year yet still not recovered are mainly payments for materials pending settlement.
- 2) The ending balance of advance payments does not have any advance payment due from shareholders who hold 5% or more of the Company's voting capital.

7 存貨

期末存貨中除產成品之外，其餘種類均不存在跌價情況。

7 Inventories

Inventories at the end of the period are not impaired except for finished products.

		跌價準備 Provision for Impairment		跌價準備 Provision for Impairment	
		2005.12.31	2004.12.31	2005.12.31	2004.12.31
原材料	Raw materials	49,439	0	43,875	0
在產品	Work-in-process	92,973	0	88,884	0
產成品	Finished products	91,961	2,506	128,180	2,506
庫存商品	Goods in stock	29,653	0	30,586	0
低值易耗品	Low-value consumables	11,423	0	9,412	0
特準儲備物資	Special materials for Government	1,822	0	1,822	0
合計	Total	277,271	2,506	302,759	2,506

8 長期投資

8 Long-Term Investments

		2004.12.31	本期增加 Additions	本期減少 Deductions	2005.12.31
長期股權投資	Long-term equity investment	76,726	7,385	55	84,056
長期債權投資	Long-term debt investment	130,076	0	13,000	117,076
合計	Total	206,802	7,385	13,055	201,132
減值準備	Provision for impairment	12,000	18,000	0	30,000
長期投資淨值	Net value of long-term investments	194,802	(10,615)	13,055	171,132

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

8 長期投資 (續)

長期股權投資

被投資公司名稱	投資期限	佔被投資公司 註冊資本比例	初始 投資金額	本期 權益調整	累計 權益調整	處置 投資減少	2005.12.31	期末 減值準備	期初減值準備
Name of investee companies	Period of investment	Proportion of equity interest in investee company	Initially cost	Current equity adjustment	Accumulated equity adjustment	Deductions of disposal	Ending balance	Ending impairment	Provision for impairment at beginning of year
天同證券有限責任公司*	長期								
Tianton Securities Company Limited*	Long-term	1.23%	30,000	0	0	0	30,000	30,000	12,000
太平洋保險公司	長期								
Pacific Insurance Company Limited	Long-term	0.25%	7,000	0	0	0	7,000	0	0
瑞恒醫藥科技投資 有限責任公司	50年								
Ruiheng Pharm & Technology Investment Company Limited	50 years	2.91%	3,200	0	0	0	3,200	0	0
交通銀行	長期								
Bank of Communications	Long-term	—	13,577	0	0	0	13,577	0	0
中美博新華 — 百利高 製藥有限責任公司	長期								
Sino-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited.	Long-term	50%	24,831	(3,399)	(5,336)	0	19,495	0	0
濰坊新華大藥店有限公司**									
Weifang Xinhua Pharmaceutical Company Limited **		55%	165	0	(110)	55	0	0	0
山東新華隆信化工有限公司***	15年								
Shandong Xinhua Longxin Chemical & Industrial Company Limited***	15 years	40%	10,000	784	784	0	10,784	0	0
合計									
Total			88,773	(2,615)	(4,662)	55	84,056	30,000	12,000

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

8 長期投資 (續)

- * 由於天同證券有限責任公司財務狀況惡化，本公司在本年度對其長期股權投資補提了減值準備18,000千元，至此該項長期股權投資已全額計提了減值準備。
- ** 根據濰坊新華大藥店有限公司股東會決議，本公司之子公司濰博大藥店於2005年6月將其持有的濰坊新華大藥店有限公司55%股權以51千元轉讓給自然人李聖旭。
- *** 山東新華隆信化工有限公司（以下簡稱「新華隆信」）成立於2005年6月17日，由本公司與山東隆信化工有限公司共同出資組建，註冊資本人民幣2,500萬元，本公司出資10,000千元，佔註冊資本的40%。新華隆信主要業務包括生產、銷售水楊酸系列產品（不含危險、易制毒化學品）。

8 Long-Term Investments (continued)

- * Because the financial condition of Tianton Securities Company Limited goes worse off, and becomes insolvent, an additional provision of RMB18,000,000 was made in this year for the impairment of the long-term equity investment on Tianton Securities Company, which results in a full amount provision for this individual investment as of 31 December 2005.
- ** According to the resolution of the shareholder's meeting of Weifang Xinhua Pharmaceutical Company Limited, Zibo Pharmaceutical Company Limited, a subsidiary of the Company, sold 55% of the Weifang Xinhua Pharmaceutical Company Limited's equity it held to a natural person Lishengxu at a price of 51,000 on June 2005.
- *** Shangdong Xinhua Longxin Chemical & Industrial Company Limited (hereinafter referred to as the Xinhua Longxin) was established with the registered capital of RMB25,000,000 by the Company and Shangdong Longxin Chemical & Industrial Company Limited on 17 June 2005. The Company contributes RMB10,000,000, accounting for 40% of the registered capital. The main business of Xinhua Longxin includes Production and sale of Salicylic acid product series (excluded dangerous and poisonous chemical).

長期債權投資

Long-term debt investment

項目	面值	年利率	初始成本	到期日	本期利息	累計利息	2005.12.31
Type Bonds	Par value	Annual interest rate	Initial cost	Mature date	Interest for current period	Accumulated interest	2005.12.31
電力建設債券				已到期			
Electric power construction bond	60	—	60	Matured	0	16	76
青島海協信託 公司信託投資				2007年7月			
Qingdao Hisyn Trust & Investment Company Limited	—	5.27%	130,000	July 2007	6,753	9,570	117,000
合計							
Total			130,060		6,753	9,586	117,076

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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六. 合併會計報表主要項目註釋 (續)

8 長期投資 (續)

- 1) 2004年7月，本公司投資人民幣1.3億元參加青島海協信託投資有限公司(以下稱「青島海協」)設立的深圳衡業投資發展有限公司(以下稱「衡業公司」)股權收購項目信託資金計劃，衡業公司承諾將收購的股權向青島海協提供全額質押，本公司同意青島海協在衡業公司無法歸還貸款本息時，以上述質押的股權償還本公司的信託本金和收益。
- 2) 因國家銀行貸款利率變動，本信託投資計劃年利率由5%變更為5.27%；
- 3) 截至2005年12月31日，本公司已經收到衡業公司返還的本金人民幣13,000千元；應收利息人民幣9,570千元，實際已收到人民幣8,166千元。

6. Notes to the Consolidated Account (continued)

8 Long-Term Investments (continued)

- 1) In July 2004, the Company invested RMB130,000,000 in an equity acquisition trust fund plan formed by Qingdao Hisyn Trust & Investment Co., Ltd (hereinafter referred to as Qingdao Hisyn) for Shenzhen Hengye Investment Development Co., Ltd. (hereinafter referred to as the Hengye Company). Under the arrangement, Hengye undertakes to pledge the equity interests acquired through this loan to Qingdao Hisyn in full amount. The Company agrees that Qingdao Hisyn uses the above equity interests so pledged to repay the trust principal and benefits to the Company given the default of the Hengye Company on the loan principal and interest.
- 2) Due to the change in the loan interest rate, the annual interest rate of the trust & investment is adjusted from 5% to 5.27%.
- 3) By the end of 31 December 2005, the Company has received principal of RMB13,000,000 returned from Hengye Company; and the interest generated is RMB9,570,000, among which, RMB8,166,000 was received.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

9 固定資產

9 Fixed Assets

		房屋及建築物 Houses & Buildings	機器及設備 Machinery & Equipment	運輸設備 Transportation Equipment	電子儀器 Electronic Apparatus	總計 Total
原值						
2004.12.31	Original cost at beginning of year	396,547	977,432	22,680	24,455	1,421,114
加：本年增加	Add: Increases in the year	76,110	126,756	762	3,106	206,734
其中：在建工程轉入	Including: Construction-in-progress transferred in	72,475	105,327	0	852	178,654
減：本年減少	Less: Decreases in the year	11,090	11,426	4,885	1,183	28,584
2005.12.31	Cost at the end of year	461,567	1,092,762	18,557	26,378	1,599,264
累計折舊						
2004.12.31	Accumulated depreciation at beginning of year	186,458	503,783	16,937	17,342	724,520
加：本年增加	Add: Increases in the year	15,235	74,376	2,216	2,557	94,384
減：本年減少	Less: Decrease in the year	10,269	10,904	4,864	997	27,034
2005.12.31	Accumulated depreciation at the end of year	191,424	567,255	14,289	18,902	791,870
淨值						
2004.12.31	Net value at 31 Dec 2004	210,089	473,649	5,743	7,113	696,594
2005.12.31	Net value at 31 Dec 2005	270,143	525,507	4,268	7,476	807,394

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(根據中國會計準則編制)
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六. 合併會計報表主要項目註釋 (續)

9 固定資產 (續)

- 1) 期末固定資產餘額較上年增加較多，主要原因是本期在建工程完工轉固所致(如咖啡因工程、針劑GMP改造、片劑工程等)。
- 2) 本公司期末經營租賃租出的房屋原值為人民幣34,647千元、淨值人民幣21,841千元。
- 3) 固定資產期末無減值情況發生，未計提減值準備。
- 4) 固定資產期末無擔保、抵押情況。
- 5) 本公司從新華集團購入的位於淄博市張店區南定張南路中段工業路廠房價值人民幣1,852千元以及從山東淄博新華一肯孚製藥有限公司購入的聚卡波非鈣廠房價值人民幣3,000千元，其產權證的過戶手續仍在辦理中。

6. Notes to the Consolidated Account (continued)

9 Fixed Assets (continued)

- 1) The ending balance of fixed assets has increased significantly from that of last year, mainly because some capital expenditure projects have been completed and transferred to fixed assets (such as Caffeine project, Injection GMP Revamping, Troche expansion project) .
- 2) The buildings leased under operating lease are RMB34,647,000 in original cost, and RMB21,841,000 in net cost.
- 3) No provision for impairment is made no evidence indicates any impairment of fixed assets at the end of the period.
- 4) There are no fixed assets secured or pledged at the year-end.
- 5) The Company purchased the workshops located at Gongye Street, Mid Zhangnan Road, Nanding, Zhangdian District, Zibo City at the price of RMB1,852,000 from Shandong Xinhua Pharmaceutical Group Company Limited, and purchased the workshops for producing Calcium Polycarbophil from Shandong Zibo Xinhua-Chemferm Pharmaceutical Company Limited at the price of 3,000,000. The certificate change produce has not been completed as of 31 December 2005.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

10 在建工程

10 Construction-in-progress

		2005.12.31	2004.12.31
基建項目	Capital construction projects	81,615	206,870

基建項目明細如下：

The list of construction projects:

工程項目	2004.12.31	本期	本期累計轉入	其他減少	2005.12.31	資金來源	工程預算	工程進度	預計完工日期
Project	Beginning balance	累計增加	固定資產額	Other deduction	Ending balance	Source of fund	Project budget	Project progress	Estimated date of completion
開發區咖啡因工程						募集			
Caffeine project	709	11,549	12,258	0	0	Raised	160,000	—	—
動力冷凍房改造項目									
Project for freezing building	1,017	1,077	0	0	2,094	—	—	—	—
新華(西區)國際工業									
Xinhua (West) Int'l Industrial Park	12,720	7,333	0	14,975	5,078	—	—	—	—
新華(東區)國際工業園									
Xinhua (East) Int'l Industrial Park	9,554	166	0	9,000	720	—	—	—	—
針劑GMP改造						募集			
Injection GMP Revamping	74,767	13,000	80,000	7,767	0	Raised	80,000	—	—
九車間DK擴產						自有			
9-Workshop DK Production Expansion	1,316	758	0	0	2,074	Self-owned	0	30%	2006.12
新華東區供水系統						自有			
Xinhua (East) water supply system	3,710	0	0	0	3,710	Self-owned	5,000	85%	2006.10
西園物流中心						自有			
Xiyuan Logistics Center	16,283	3,558	19,841	0	0	Self-owned	17,000	—	—
片劑項目(三車間)擴建						自有			
Troche expansion project (3 Workshop)	26,396	10,109	36,505	0	0	Self-owned	30,000	90%	2006.12
鹽酸曲嗎多工程						自有			
Tramadol HCL project	1,404	2,605	0	0	4,009	Self-owned	3,050	90%	2006.11
異丙基安替比林						自有			
Propyphenazone project	3,931	9,626	13,557	0	0	Self-owned	12,500	90%	2006.11
聚卡波非爾工程						自有			
Calcium Polycarbophil project	3,300	7,158	10,458	0	0	Self-owned	6,000	90%	2006.10
供銷倉庫改造工程						自有			
Supply and marking warehouse renovation project	160	7,920	0	0	8,080	Self-owned	6,000	85%	2006.12
2005年DK擴產						自有			
2005 DK production expansion	0	1,368	0	0	1,368	Self-owned	5,000	30%	2006.12
05高濃度廢水處理站改造						自有			
2005 high concentration waste water treatment shop renovation project	0	1,813	0	0	1,813	Self-owned	6,000	30%	2006.12
其他						自有			
Others	51,603	7,101	6,035	0	52,669	Self-owned	—	—	—
合計									
Total	206,870	85,141	178,654	31,742	81,615				

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

10 在建工程 (續)

- 1) 在建工程未使用專項借款，不存在資本化利息的情況。
- 2) 在建工程本年度其他減少主要為轉入無形資產的土地使用權計人民幣27,595千元及本年收回淄博市高新技術產業開發區退回土地款計人民幣4,147千元。
- 3) 在建工程期末無減值情況發生，因此未計提減值準備。

10 Construction-in-progress (continued)

- 1) Interest capitalization does not apply to construction in progress for the lack of any borrowings specially arranged therein.
- 2) Other decreases in under-construction area are: land use right equalling RMB27,595,000 was transferred to intangible assets; Zibo High-tech Development Zone withdrew the land use right equalling RMB4,147,000.
- 3) There is no impaired construction-in-progress at the year-end, and no provision for impairment is thus made.

11 無形資產

11 Intangible Assets

		土地使用權 Land use Right	軟體使用權 Software use right	非專利技術 Non-patented technology	合計 Total
原始金額	Cost	110,234	2,728	6,550	119,512
2004.12.31	Cost on 1 January 2005	67,984	744	3,441	72,169
期初累計攤銷	Accumulated amortization on 1 January 2005	12,965	723	1,559	15,247
本期增加	Increase for the year	29,285	1,261	1,550	32,096
本期攤銷	Amortization for the year	2,471	332	809	3,612
期末累計攤銷	Accumulated amortization on 31 December, 2005	15,436	1,055	2,368	18,859
本期轉出	Amount transferred out for the year	3,342	0	0	3,342
2005.12.31	Cost on 31 December 2005	<u>91,456</u>	<u>1,673</u>	<u>4,182</u>	<u>97,311</u>
剩餘攤銷年限 (年)	Remaining amortization period (Year)	12 - 50	1 - 5	3 - 5	

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(根據中國會計準則編制)

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六. 合併會計報表主要項目註釋 (續)

11 無形資產 (續)

- 1) 本公司從控股股東新華集團購入的土地使用權人民幣4,360千元，其土地使用權證書的變更手續仍在辦理中。
- 2) 本公司從淄博市高新技術產業開發區購入的土地使用權人民幣27,595千元，其土地使用權證的變更手續仍在辦理中。
- 3) 2005年12月，本公司將機械分廠所佔用土地及地上附著物出售給山東寶源投資有限公司，截止2005年12月31日，該部份土地使用權攤餘價值為人民幣3,342千元，詳見註釋十二。
- 4) 無形資產期末無減值情況發生，因此未計提減值準備。

6. Notes to the Consolidated Account (continued)

11 Intangible Assets (continued)

- 1) The Company purchased the land use right at the price of RMB4,360,000 from its controlling shareholder-Shandong Xinhua Pharmaceutical Group Company Limited. The land use rights certificate change procedure has not been completed as of 31 December 2005.
- 2) The Company purchased the land use right at the price of RMB27,595,000 from the government of Zibo New and High-Technology Industrial Development Zone. The land use rights certificate change procedure has not been completed as of 31 December 2005.
- 3) In December 2005, the Company sold the land use right and the attachment of the land thereon of its Machinery Subsidiary to Shandong Baoyuan Investment Company Limited. As of 31 December 2005, the amortized value of the land use right is 3,342,000, see Note 12 for details.
- 4) There are no intangible assets impaired at the year-end, and no provision for impairment is thus made.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

12 短期借款

12 Short-term Loans

		2005.12.31	2004.12.31	年利率 (%) Annual interest rate (%)
質押借款	Pledged loans	1,691	21,358	2.625 – 5.91
信用借款	Credit loans	173,068	284,927	1.469 – 5.535
保證借款	Secured borrowing	244,210	0	3.78 – 5.58
合計	Total	418,969	306,285	

1) 質押資產見註釋六、4。

1) See Note 6.4 for pledged assets.

2) 保證借款的擔保方為山東新華醫藥集團有限責任公司。

2) The secured borrowing is guaranteed by Shandong Xinhua Pharmaceutical Group Company limited.

3) 無到期未償還的短期借款。

3) The Company does not have any loan due yet not paid off.

13 應付票據

13 Notes Payable

		2005.12.31	2004.12.31
銀行承兌匯票	Bank acceptance	233,155	144,460

1) 期末應付票據餘額較年初增長較大，主要原因是本公司支付貨款時較多採用了銀行承兌匯票結算方式。

1) The ending balance of notes payable increases significantly from that of the last year, mainly because the Company settles payments for goods mostly using bank acceptance.

2) 應付票據到期日為2006年1月21日—2006年6月23日。

2) The maturity date of notes payable is from 21 January 2006 to 23 June 2006.

3) 期末應付票據餘額無欠持本公司5%及以上表決權股份的股東單位的款項。

3) The ending balance of notes payable does not have any amount due from shareholders who hold 5% or more of the Company's voting capital.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

14 應付賬款

14 Accounts Payable

		2005.12.31	2004.12.31
應付賬款	Accounts payable	<u>120,334</u>	<u>163,309</u>

1) 期末應付賬款餘額較年初減少較大，主要原因是本公司支付貨款時較多採用了銀行承兌匯票結算方式。

2) 三年以上未付的應付款項計人民幣3,244千元主要是以前年度未結清的貨款。

3) 期末應付賬款餘額中無欠持本公司5%及以上表決權股份的股東單位的款項。

1) The ending balance of accounts payable has decreased significantly from that the last year, mainly because the Company settles payments for goods mostly using bank acceptance.

2) There are RMB3,244,000 accounts payable aged over three years, most of which are unsettled payments for goods in prior years.

3) The ending balance of accounts payable does not have any amount due from shareholders who hold 5% or more of the Company's voting capital.

15 預收賬款

15 Advances from Customers

		2005.12.31	2004.12.31
預收賬款	Advances from customers	<u>11,662</u>	<u>11,126</u>

1) 賬齡超過1年的預收賬款人民幣2,073千元主要是尚未結算的零星尾款。

2) 期末預收賬款餘額中無欠持本公司5%及以上表決權股份的股東單位的款項。

1) Advances from customers aged over one year amount to RMB2,073,000, most of which are unsettled small residual payments.

2) The ending balance of advances from customers does not have any amount due to shareholders who hold 5% or more of the Company's voting capital.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

16 應付股利

16 Dividends Payable

Name of Shareholders		2005.12.31	2004.12.31	欠付原因 Reason for delay
國家股	State-held shares	0	0	
社會法人股	Publicly-held legal-person shares	0	0	
流通股A股	Negotiable Stock A-share	0	0	
流通股H股	Negotiable Stock H-share	0	0	
其他	Others	5,516	6,074	正常欠付 Normal delay
合計	Total	<u>5,516</u>	<u>6,074</u>	

17 應交稅金

17 Taxes Payable

		2005.12.31	2004.12.31	稅率 Applicable tax rate
應交所得稅	Income tax payable	3,877	(538)	15%, 33%
應交增值稅	VAT payable	(10,979)	(10,546)	—
應交營業稅	Sales tax payable	942	204	3%, 5%
應交城建稅	Urban maintenance & construction tax payable	119	2,768	7%
應交教育費附加	Education surcharges payable	96	1,186	3%
應交地方教育費附加	Local education surcharges payable	115	0	1%
應交個人所得稅	Payroll tax payable	402	1,216	—
應交土地使用稅	Land-use tax payable	(8)	0	—
應交房產稅	Property tax payable	19	131	1.2%
應交土地增值稅	Land VAT payable	1,215	0	30%
應交印花稅	Stamp tax payable	185	0	—
合計	Total	<u>(4,017)</u>	<u>(5,579)</u>	

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

18 其他應付款

18 Other Payables

		2005.12.31	2004.12.31
其他應付款	Other payables	<u>54,045</u>	<u>57,825</u>

1) 期末其他應付款餘額主要為應付的工程往來款和住房公積金及應付合同工的工作保證金等款項。

1) The ending balance of other payables are mainly for the payment of construction, housing fund and deposit of contracted workers.

2) 期末其他應付款餘額中無欠持本公司5%及以上表決權股份的股東單位的款項。

2) The ending balance of other payables does not have any amount due to the shareholders who hold 5% or more of the Company's voting capital.

19 預提費用

19 Accrued Expenses

		2005.12.31	2004.12.31
董事酬金	Directors' emoluments	0	2,000
審計費	Audit fees	1,000	1,200
財務費用	Financial expenses	630	0
商標使用費	Trademark use fee	200	0
年終獎金	Year-end bonus	1,960	0
出口運保費	Export freight & insurance charges	155	1
合計	Total	<u>3,945</u>	<u>3,201</u>

20 一年內到期的長期負債

20 Long-term Liabilities due within One Year

		2005.12.31	2004.12.31	年利率 Annual interest rate
擔保借款	Secured borrowing	<u>0</u>	<u>250,000</u>	3.51%

由控股股東山東新華醫藥集團有限責任公司提供擔保。

The loan is guaranteed by the Majority shareholder-Shandong Xinhua Pharmaceutical Group Company Limited.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

21 少數股東權益

21 Minority Shareholders' Equity

少數股東名稱	Name of minority shareholders	少數股權比例 Ratio of equity interests	2005.12.31	2004.12.31
東營藍鯨科技開發公司	Dongying Lanjing Technology Development Company	47%	409	460
山東德州泰康醫藥有限公司	Shandong Dazhou Taikang Pharmaceutical Company Limited	40%	0	226
山東新華醫藥集團有限責任公司	Shandong Xinhua Pharmaceutical Group Company Limited	12%	27	8
山東新華醫藥集團有限責任公司	Shandong Xinhua Pharmaceutical Group Company	10%	238	268
日本共和藥品株式會社	Nippon Gonghe Pharmaceutical Corporation	25%	(367)	1,036
北京三田化工技術公司	Beijing Santian Chemical Technology Company	5%	(73)	207
LI PENG	LI PENG	23%	858	700
合計	Total		1,092	2,905

22 股本

22 Share Capital

		2005.12.31	2004.12.31
一. 未上市流通股份：	I. Non-tradable shares		
1. 發起人股份	1. Founder's shares:	214,440	214,440
其中：國家股(非流通股份)	Including: State-held shares (non-tradable)	214,440	214,440
境內法人持有股份	Domestic legal-person held shares	0	0
外資法人持有股份	Foreign-funded legal-person held shares	0	0
2. 募集法人股(非流通股份)	2. Fund raising legal-person shares (non-tradable)	16,720	16,720
3. 轉配股	3. Transferred and allotted shares	0	0
4. 內部職工股	4. Employees' held shares	0	0
5. 優先股及其他	5. Preferred stock and others	0	0
未上市流通股份合計	Sub-total	231,160	231,160
二. 已上市流通股份	II. Listed shares		
1. 境內上市人民幣普通股(A股)	1. Domestically listed RMB A shares	76,153	76,153
2. 境內上市的外資股	2. Domestically listed foreign invested shares	0	0
3. 境外上市的外資股(H股)	3. Overseas listed foreign invested H shares	150,000	150,000
4. 其他	4. Others	0	0
已上市流通股份合計	Sub-total	226,153	226,153
三. 股份總計	III. Total stock	457,313	457,313

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

23 資本公積

23 Capital Surplus

		2004.12.31	本期增加 Additions	本期減少 Deductions	2005.12.31
資產重估增值	Upward revaluation of assets	60,910	0	0	60,910
股票發行溢價	Premium on stock	496,851	0	0	496,851
接受捐贈	Receipt of donation	1,158	0	0	1,158
合計	Total	558,919	0	0	558,919

24 盈餘公積

24 Surplus Reserves

		2004.12.31	本期增加 Additions	本期減少 Deductions	2005.12.31
法定盈餘公積金	Statutory surplus reserve	68,337	522	0	68,859
任意盈餘公積金	Discretionary surplus reserve	64,797	0	0	64,797
公益金	Public welfare fund	26,291	261	0	26,552
合計	Total	159,425	783	0	160,208

25 利潤分配

25 Profit Distribution

		2005.12.31	2004.12.31
淨利潤	Net income	5,416	(55,608)
加：期初未分配利潤	Add: Undistributed profit at beginning of the year	163,003	236,903
可供分配的利潤	Profit available for the year	168,419	181,295
減：提取法定盈餘公積金 (10%)	Less: Appropriation of statutory surplus reserve (10%)	522	0
提取法定公益金 (5%)	Appropriation of statutory Public welfare fund (5%)	261	0
可供分配的未分配利潤	Undistributed profit available for the year	167,636	181,295
減：提取任意盈餘公積金 (10%)	Less: Appropriation of discretionary surplus reserve (10%)	0	0
應付普通股股利	Dividend payable on common stock	0	18,292
期末未分配利潤	Undistributed profit at the end of the year	167,636	163,003
其中：擬分配現金股利	Including: Dividend in cash to be distributed	22,866	0

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

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六. 合併會計報表主要項目註釋 (續)

25 利潤分配 (續)

- 1) 2005年3月24日，本公司第四屆董事會第十七次會議通過有關決議，因2004年度本公司出現虧損，不進行利潤分配。該決議於2005年6月7日經股東大會表決通過。
- 2) 2006年3月24日，本公司第五屆董事會第二次會議通過有關2005年度利潤分配預案，在提取10%的法定盈餘公積金、5%的公益金後，以總股本457,312,830股為基數，向全體股東派發現金紅利每股人民幣0.05元(含稅)。

26 未確認投資損失

被投資單位名稱	初始投資成本	投資比例	被投資單位所有者權益金額 Amount of shareholder equity of investee company	年末金額
Name	Initial cost	Investment ratio		2005.12.31
淄博新華－三和化工有限公司	Zibo Xinhua Sanhe Chemical & Industrial Company Limited	2,897	70%	(1,467)
				(1,027)

6. Notes to the Consolidated Account (continued)

25 Profit Distribution (continued)

- 1) According to the resolution passed at the 17 Meeting of the 4th Board of Directors on 24 March 2005, the Company will not make any profit distribution because of the losses incurred in 2004. The resolution was passed through votes at the shareholders' meeting on 7 June 2005.
- 2) The 2nd meeting of the 5th Board of Directors held on 26 March 2006 passed the resolution on the preliminary proposal for 2005 profit distribution. Under the resolution, the shareholders will be allocated cash dividend of RMB0.05 per share (before tax) based on the total number of 457,312,830 shares after providing for 10% statutory surplus reserve, 5% public welfare fund, and 10% discretionary surplus reserve.

26 Unconfirmed investment losses

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

27 外幣報表折算差額

27 Foreign Currency Statement Translation Difference

		2005.12.31	2004.12.31
外幣報表折算差額	Foreign-currency statement translation difference	<u>444</u>	<u>1,345</u>

外幣報表折算差額為本公司境外子公司山東新華製藥(歐洲)有限公司的會計報表由記賬本位幣歐元折算為母公司記賬本位幣人民幣時產生的差額。

This results from translating the EUD financial statements of Shandong Xinhua Pharmaceutical (European) GmbH (the overseas subsidiary of the Company) into RMB.

28 主營業務收入、成本

28 Revenues & Costs from Main Operations

		主營業務收入 Revenue		主營業務成本 Cost	
		2005	2004	2005	2004
原料藥	Bulk pharmaceuticals	974,186	829,565	798,542	698,022
其中：出口	Including: Export sales	692,395	615,314	581,029	534,016
製劑	Preparations	298,039	296,084	181,978	184,718
商業流通	Commerce circulations	408,199	369,215	396,603	362,418
化工及其他	Chemicals and others	16,091	16,432	17,746	21,494
合計	Total	<u>1,696,515</u>	<u>1,511,296</u>	<u>1,394,869</u>	<u>1,266,652</u>

本公司前五名客戶銷售收入總額為人民幣247,440千元，佔全部銷售收入的14.59%。

Sales to the top five customers amount to RMB247,440,000, accounting for 14.59% of the total sales.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

29 主營業務稅金及附加

29 Taxes and Surcharges for Main Operations

項目 Items	計繳基數 Base of Computation	計繳比例 Tax Rate	2005	2004
城建稅	應交流轉稅			
City Construction Tax	VAT payables	7%	3,221	6,867
教育費附加	應交流轉稅			
Education surcharges	VAT payable	3%	1,381	2,943
地方教育費附加	應交流轉稅			
Local education surcharges	VAT payable	1%	841	0
營業稅	設計費收入			
Sales tax	Design revenue	5%	126	34
合計 Total			5,569	9,844

30 其他業務利潤

30 Profit from Other Operations

		2005			2004		
		收入 Revenue	支出 Expenditure	利潤 Profit	收入 Revenue	支出 Expenditure	利潤 Profit
銷售材料	Sales of materials	26,181	25,324	857	37,108	35,447	1,661
銷售水電汽	Sales of water, power and gas	11,155	11,176	(21)	10,959	10,888	71
租賃	Leasing	2,339	553	1,786	2,050	714	1,336
合計	Total	39,675	37,053	2,622	50,117	47,049	3,068

31 財務費用

31 Financial Expenses

		2005	2004
利息費用	Interest expenses	22,406	15,384
銀行手續費	Banking charge	1,163	1,252
減：利息收入	Less: Interest income	5,010	5,212
匯兌損失	Exchange losses	26	1,319
減：匯兌收益	Less: Exchange gains	954	0
其他	Others	(241)	(127)
合計	Total	17,390	12,616

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

32 投資收益

(1) 投資收益明細如下：

		2005	2004
股票投資收益	Stock investment income	0	1,134
債權投資收益	Bond investment income	6,753	2,817
基金投資收益	Fund investment income	92	6,787
聯營、合營公司 分配來的利潤	Profit from affiliates and joint ventures	0	467
期末按權益法調整 分享被投資公司淨利潤	Share of investee company's net income under the equity method	(2,615)	(1,977)
股權投資損失	Losses of equity investment	0	(1,500)
短期投資跌價準備	Provision for impairment of short-term investments	0	(11,449)
長期投資減值準備	Provision for impairment of long-term investments	(18,000)	(12,000)
處置長期投資收益	Dispose long-term investment income	(228)	0
合計	Total	<u>(13,998)</u>	<u>(15,721)</u>

(2) 期末按權益法調整分享
被投資公司淨利潤的
明細如下：

(2) Detailed list of investment income from investee
companies under the equity-method:

被投資公司名稱	Investee Company Name	2005	2004
濰坊新華大藥店有限公司	Weifang Xinhua Pharm. Company Limited	0	(39)
山東新華隆信化工 有限公司	Shandong Xinhua Longxin Chemical & Industrial Company Limited	784	0
淄博新華百利高 製藥有限責任公司	Sino-USA Zibo Xinhua – Perrigo Pharmaceutical Company Limited	(3,399)	(1,938)
合計	Total	<u>(2,615)</u>	<u>(1,977)</u>

本公司投資收益的收
回不存在重大限制。

There is no significant restriction on the returns
of investment income.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

33 補貼收入

33 Subsidies Income

	Investee Company Name	2005	2004
農資產品(硫酸銨) 免徵增值稅	VAT exempted for agriculture-supported products (Amine sulfate)	215	499
污染防治貸款貼息補助	Discount interest allowance for pollution prevention and treatment loans	0	600
合計	Total	215	1,099

34 營業外收入

34 Non-Operating Income

		2005	2004
固定資產清理收益	Proceeds from disposal of fixed assets	1,839	1,595
罰款收入	Income from penalties	77	47
處置土地使用權等收益*	Income from disposal of land use rights *	12,912	0
其他	Others	678	857
合計	Total	15,506	2,499

* 詳見附註十二

* See Note 12 for details

35 營業外支出

35 Non-Operating Expenses

		2005	2004
處理固定資產損失	Loss from disposal of fixed assets	109	1,673
滯納金、罰款、超標 排污費等支出	Overdue fines, penalties, excessive sewage discharge charges etc.	135	464
捐贈支出	Donations	50	3
其他	Others	862	981
合計	Total	1,156	3,121

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

六. 合併會計報表主要項目註釋 (續)

6. Notes to the Consolidated Account (continued)

36 支付的其他與經營活動有關的現金

36 Cash Paid Relating to Other Operating Activities

2005

差旅費	Travel expenses	10,816
辦公費	Office expenses	3,452
上市年費、審計費、 董事會費	Annual listing fee, audit fee and Board's fee	3,509
排污費	Sewage discharge fees	4,648
業務招待費	Entertainment expenses	2,081
廣告、市場開發費	Advertising and marketing expenses	75,527
運費	Freight charges	23,329
技術開發費	Technical development expenses	14,042
其他	Others	22,326
合計	Total	159,730

七. 母公司會計報表註釋

7 Notes to the Financial Statements of the Parent Company

1 應收賬款

1 Accounts Receivable

		2005.12.31	比例%	壞賬準備 Bad Debts Provision	2004.12.31	比例%	壞賬準備 Bad Debts Provision
			Ratio			Ratio	
一年以內	Less than 1 year	222,914	90.68%	1,108	264,698	86.59%	1,293
一至二年	1 to 2 years	12,096	4.92%	2,419	22,498	7.36%	6,328
二至三年	2 to 3 years	9,267	3.77%	5,560	10,941	3.58%	6,573
三年以上	Over 3 years	1,544	0.63%	1,544	7,565	2.47%	7,565
合計	Total	245,821	100%	10,631	305,702	100%	21,759

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

七. 母公司會計報表註釋 (續)

7. Notes to the Financial Statements of the Parent Company (continued)

1 應收賬款 (續)

- 1) 期末應收賬款餘額較上年減少較多，主要原因是本期控制應收賬款餘額，加大收入回款力度，同時年末核銷部份壞賬所致。
- 2) 期末應收賬款餘額中欠款前五名單位金額總計為人民幣70,369千元，佔應收賬款餘額比例為28.63%。
- 3) 本年度按照本公司的壞賬核銷政策核銷了主要為3年以上應收賬款人民幣17,593千元。
- 4) 期末應收賬款餘額中無持有本公司5%及以上表決權股份的股東單位的欠款。
- 5) 期末應收賬款餘額中包含已向銀行質押借入短期借款的應收外幣債權人民幣1,695千元。

1 Accounts Receivable (continued)

- 1) The ending balance of accounts receivable has decreased significantly from that of the last year, mainly because that the Company takes more measures to collect receivable in order to keep the balance at a lower level and part of the bad debts are written off in the year end.
- 2) The ending balance of account receivables includes RMB70,369,000 due from the top five debtors, accounting for 28.63% of the total balance of accounts receivable.
- 3) RMB17,593,000 of accounts receivable aged over 3 years is written off this year according to the Company's accounting policy.
- 4) In the ending balance, there are no accounts receivable due from shareholders who hold 5% or more of the Company's voting capital.
- 5) The ending balance of accounts receivable includes RMB1,695,000 of foreign currency receivable pledged to secure short-term borrowings.

2 其他應收款

2 Other Receivables

		2005.12.31	比例%	壞賬準備 Bad debts provision	2004.12.31	比例%	壞賬準備 Bad debts provision
			Ratio			Ratio	
一年以內	Less than 1 year	98,977	83.79%	32	94,475	83.94%	400
一至二年	1 to 2 years	6,470	5.48%	308	6,180	5.49%	106
二至三年	2 to 3 years	4,465	3.78%	132	10,026	8.91%	1,382
三年以上	Over 3 years	8,212	6.95%	2,051	1,873	1.66%	1,873
合計	Total	118,124	100%	2,523	112,554	100%	3,761

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

七. 母公司會計報表註釋 (續)

2 其他應收款 (續)

- 1) 期末其他應收款餘額中持有本公司46.89%股份的股東山東新華醫藥集團有限責任公司欠款為人民幣9,507千元。
- 2) 期末其他應收款餘額中欠款前五名單位金額總計為人民幣66,276千元，佔其他應收款餘額56.11%。
- 3) 期末其他應收款餘額中包括了應收所得稅返還、預提出口增值稅等項目，該等餘額未計提壞賬準備。
- 4) 本年度按照本公司的壞賬核銷政策核銷3年以上其他應收款人民幣2,461千元。

3 長期投資

長期股權投資	Long-term equity investment
長期債權投資	Long-term debt investment
合計	Total
減值準備	Provision for impairment
長期投資淨值	Net value of long-term investments

7. Notes to the Financial Statements of the Parent Company (continued)

2 Other Receivables (continued)

- 1) The ending balance of other receivables includes RMB9,507,000 due from Shandong Xinhua Group Company Limited that holds 46.89% of the Company's shares.
- 2) The balance of other receivables due from the top five debtors is RMB66,276,000, accounting for 56.11% of the total balance of other receivables.
- 3) The ending balance of other receivables includes income tax refund receivable, accrued export VAT, etc. No bad debts provision is made on these items.
- 4) RMB2,461,000 of other receivables aged over 3 years is written off this year according to the Company's accounting policy.

3 Long-Term Investments

2004.12.31	本期增加 Additions	本期減少 Deductions	2005.12.31
89,273	46,803	0	136,076
130,076	0	13,000	117,076
219,349	46,803	13,000	253,152
12,000	18,000	0	30,000
207,349	28,803	13,000	223,152

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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七. 母公司會計報表註釋 (續)

3 長期投資 (續)

其中：長期股權投資

被投資公司名稱	投資期限	佔被投資公司 註冊資本比例 Proportion of equity interest in investee company	初始 投資金額 Initially cost	本期 權益調整 Current equity adjustment	累計 權益調整 Accumulated equity adjustment	處置 投資減少 Deductions of disposal	2005.12.31 Ending balance	期末 減值準備 Ending impairment	期初 減值準備 Provision for impairment at beginning of year
天同證券有限責任公司 Tiantong Securities Company Limited	長期 Long-term	1.23%	30,000	0	0	0	30,000	30,000	12,000
太平洋保險公司 Pacific Insurance Company Limited	長期 Long-term	0.25%	7,000	0	0	0	7,000	0	0
瑞恒醫藥科技投資 有限責任公司 Ruiheng Pharm & Technology Investment Company Limited	50年 50 years	2.91%	3,200	0	0	0	3,200	0	0
交通銀行 Bank of Communications	長期 Long-term	—	13,577	0	0	0	13,577	0	0
中美濤博新華 — 百利高 製藥有限責任公司 Sino-USA Zibo Xinhua-Perrigo Pharm. Company Limited	長期 Long-term	50%	24,831	(3,399)	(5,336)	0	19,495	0	0
山東新華製藥(歐洲) 有限公司 Shandong Xinhua Pharmaceutical (Europe) GmbH	長期 Long-term	76.90%	4,597	(633)	(2,217)	0	2,380	0	0
濤博新華大藥店 連鎖有限公司 Zibo Xinhua Drug Store Chain Company Limited	長期 Long-term	88%	1,760	(224)	(14)	0	1,746	0	0
濤博新華醫藥設計院 有限公司 Zibo Xinhua Pharm. Design Institute Company Limited	長期 Long-term	90%	1,800	166	(1,560)	0	240	0	0
濤博新華三和化工 有限公司 Zibo Xinhua Sanhe Chemical & Industrial Company Limited	長期 Long-term	70%	2,897	(2,897)	(2,897)	0	0	0	0
山東新華醫藥貿易 有限公司 Shandong Xinhua Medicine Commerce Company Limited	20年 20 years	98%	47,529	376	125	0	47,654	0	0
山東新華隆信化工 有限公司 Shandong Xinhua Longxin Chemical & Industrial Company Limited	15年 15 years	40%	10,000	784	784	0	10,784	0	0
合計 Total			147,191	(5,827)	(11,115)	0	136,076	30,000	12,000

7. Notes to the Financial Statements of the Parent Company (continued)

3 Long-Term Investments (continued)

Including: Long-term equity investment

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

七. 母公司會計報表註釋 (續)

7. Notes to the Financial Statements of the Parent Company (continued)

4 主營業務收入、成本

4 Revenues & Costs from Main Operations

		主營業務收入 Revenue		主營業務成本 Cost	
		2005	2004	2005	2004
原料藥	Bulk pharmaceuticals	979,443	832,148	803,799	700,285
其中：出口	Including: Export sales	697,652	615,314	586,286	534,016
製劑	Preparations	324,862	296,084	208,801	184,718
商業流通	Commerce circulations	75,311	311,605	72,636	307,918
化工及其他	Chemicals and others	15,202	15,752	17,746	21,495
合計	Total	1,394,818	1,455,589	1,102,982	1,214,416

本公司前五名客戶銷售收入總額為247,440千元，佔全部銷售收入的17.74%。

Sales to the top five customers are RMB247,440,000, amounting to 17.74% of total sales.

5 投資收益

5 Investment Income

(1) 投資收益明細如下：

(1) Detailed list of investment income

		2005	2004
股票投資收益	Stock investment income	0	1,134
債權投資收益	Bond investment income	6,752	2,817
基金投資收益	Fund investment income	92	6,787
聯營、合營公司 分配來的利潤	Profit from affiliates and joint ventures	0	467
期末按權益法調整 分享被投資公司淨利潤	Share of investee company's net income under the equity method	(5,827)	(6,136)
股權投資損失	Losses of equity investment	0	(1,500)
短期投資跌價準備	Provision for impairment of short-term investments	0	(11,449)
長期投資減值準備	Provision for impairment of long-term investments	(18,000)	(12,000)
合計	Total	(16,983)	(19,880)

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

七. 母公司會計報表註釋 (續)

5 投資收益 (續)

- (2) 期末按權益法調整分享被投資公司淨利潤的明細如下：

被投資公司名稱		2005	2004
山東新華隆信化工 有限公司	Shandong Xinhua Longxin Chemical & Industrial Company Limited	784	0
淄博新華百利高 製藥有限責任公司	Sino-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited	(3,399)	(1,938)
淄博新華大藥店 連鎖有限公司	Zibo Xinhua Drug Store Chain Company Limited	(224)	(623)
淄博新華醫藥 設計院有限公司	Zibo Xinhua Pharmaceutical Design Institute	166	(1,741)
山東新華醫藥貿易 有限公司	Shandong Xinhua Medicine Commerce Company Limited	376	(250)
山東新華製藥(歐洲) 有限公司	Shandong Xinhua Pharmaceutical (European) GmbH	(633)	(1,584)
淄博新華三和化工 有限公司	Zibo Xinhua Sanhe Chemical & Industrial Company Limited	(2,897)	0
合計	Total	(5,827)	(6,136)

7. Notes to the Financial Statements of the Parent Company (continued)

5 Investment Income (continued)

- (2) Detailed list of investment income from investee companies under the equity-method:

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易

8. Related Party Relationship and Transactions

1 關聯方關係

1 Related Party Relationship

1.1 存在控制關係的關聯方

1.1 Related Parties under a control relationship

企業名稱 Related Party Name	註冊地址 Place of registration	主營業務 Main operations	與本公司關係 Relation with the Company	經濟性質 Nature	法定代表人 Legal representative
山東新華醫藥集團 有限責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	山東省淄博市張店區 東一路14號 No. 14, East 1st Road, Zhangdian Dist., Zibo, Shandong Province.	投資於建築工程的設計、 房地產開發、餐飲等 Investment in the design of construction projects, property development and food and beverage, etc.	本公司之母公司 Parent company of the Company	國有獨資 State-owned	賀端湜 He Duanshi
新華魯抗藥業集團 有限責任公司 XinhuaLukang Pharmaceutical Group Company Limited	山東省淄博市張店區 新村西路109號 No. 109, XinCun West Road, Zhangdian Dist., Zibo, Shandong Province.	對醫藥生產經營企業投資 Investment in manufacturers of pharmaceuticals	最終控股公司 The ultimate holding company	國有獨資 Wholly state-owned	賀端湜 He Duanshi

1.2 存在控制關係的關聯方的 註冊資本及其變化

1.2 Registered capital and its changes of related parties under a control relationship

關聯方名稱 Related Party Name	2004.12.31	本期增加 Increase for the period	本期減少 Decrease for the period	2005.12.31
		2004.12.31	2005.12.31	
山東新華醫藥 集團有限 責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	298,500	0	0	298,500
新華魯抗藥業 集團有限 責任公司 Xinhua Lukang Pharmaceutical Group Company Limited	495,490	0	0	495,490

1.3 存在控制關係的關聯方的 所持股份及其變化

1.3 Share holdings and their changes of related parties under a control relationship

關聯方名稱 Related Party Name	2005.12.31	持股金額 Amount of shares	2004.12.31	持股比例 Ratio	2004.12.31
		2005.12.31	2004.12.31	2005.12.31	2004.12.31
山東新華醫藥集團 有限責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	214,440	214,440	46.89%	46.89%	

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

8. Related Party Relationship and Transactions (continued)

1 關聯方關係 (續)

1.4 不存在控制關係的關聯方的性質

關聯方名稱 Related Party Name	與本公司關係 The relationships with the company	主營業務 Main businesses	與本公司 關聯交易內容 Related Transactions with the Company
山東新華工貿股份有限公司 Shandong Xinhua Industry & Trade Company Limited	同一控股股東 Controlled by the same holding shareholders	生產經銷化工原料等 Production and sale of chemical raw materials, etc.	銷售動力及三廢、採購原材料 Sale of power and waste materials, and purchase of raw materials
山東新華醫藥集團濰博綜合服務有限責任公司 Zibo All-purpose Service Company Limited of Shandong Xinhua Pharmaceutical Group	同一控股股東 Controlled by the same holding shareholders	學校幼教等 Kindergarten education, etc.	接受勞務及服務、銷售動力 Purchase of services and sale of power
山東濰博新達製藥有限公司 Shandong Zibo XinCat Pharmaceutical Company Limited	同一控股股東 Controlled by the same holding shareholders	生產經營西藥製劑、化學原料藥及其中間體 Production and operation of Western medicine preparation, and chemical materials medicine and midway articles	銷售動力、出租房產 Sale of power, leasing houses
山東濰博新華一肯孚製藥有限公司 Shandong Zibo Xinhua-Chemferm Pharmaceutical Company Limited	同一關鍵管理者 The same key controller	製造、銷售頭孢系列產品 Production and sale of cephal-product series	銷售動力及採購原材料 Sale of power and Purchase of materials
山東新華醫藥集團濰博包裝裝潢有限責任公司 Zibo Packing & Decoration Company Limited of Shandong Xinhua Pharmaceutical Group	同一控股股東 Controlled by the same holding shareholders	包裝裝潢製品、印刷、包裝裝潢設計、家具 Packaging & decoration products, printing, packaging & decoration design, and furniture	銷售動力、採購包裝材料 Sale of power and purchase of packaging materials
山東新華博邦化工有限責任公司 Shandong Xinhua Bobang Chemical & Industrial Company Limited	同一控股股東 Controlled by the same holding shareholders	生產經銷化工產品和原料等 Production and sale of chemical production & materials, etc.	採購原材料 Purchase of materials
濰博新華一百利高製藥有限責任公司 Zibo Xinhua-Perrigo Pharmaceutical Company Limited	合營公司 Joint ventures	布洛芬系列產品的生產經銷 Production and sale of ibuprofen product series	銷售動力 Sale of power
山東新華隆信化工有限公司 Shandong Xinhua Longxin Chemical & Industrial Company Limited	聯營公司 Affiliated company	水楊酸系列產品的生產和銷售 Production and sale of Salicylic acid product series	採購原材料 Purchase of materials

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

8. Related Party Relationship and Transactions (continued)

2 關聯交易

2.1 銷售商品

關聯方名稱 Related Party Name	2005 金額 Amount	2004 金額 Amount	備註 Remark
山東新華工貿股份有限公司 Shandong Xinhua Industry & Trade Company Limited	13,551	21,600	銷售動力及三廢 Sale of power and waste materials
山東淄博新達製藥有限公司 Shandong Zibo XinCat Pharmaceutical Company Limited	1,461	1,168	銷售動力 Sales of power
山東淄博新華－肯孚製藥有限公司 Shandong Zibo Xinhua – Chemferm Pharmaceutical Company Limited	3,465	5,132	銷售動力 Sales of power
山東新華醫藥集團淄博包裝裝璜有限責任公司 Shandong Xinhua Zibo Packaging & Decoration Company Limited	669	745	銷售動力 Sales of power
淄博新華－百利高製藥有限責任公司 Zibo Xinhua – Perrigo Pharmaceutical Company Limited	367	0	銷售動力 Sales of power
山東新華醫藥集團淄博綜合服務有限責任公司 Zibo All – purpose Service Company Limited of Shandong Xinhua Pharmaceutical Group	24	71	銷售動力 Sales of power
合計 Total	19,537	28,716	

本公司向各關聯方銷售三廢及原材料按市場價格進行結算，銷售動力按協議價進行結算。

The Company sells materials and waste materials to related parties at the market price and sells power at an agreed-upon price.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB'000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

8. Related Party Relationship and Transactions (continued)

2 關聯交易 (續)

2 Related Transactions (continued)

2.2 採購物資

2.2 Purchase of materials

關聯方名稱	Related Party Name	2005 金額 Amount	2004 金額 Amount
山東新華工貿股份有限公司	Shandong Xinhua Industry & Trade Company	26,159	42,155
山東新華隆信化工有限公司	Shandong Xinhua Longxin Chemical & Industrial Company Limited	4,568	0
山東新華醫藥集團淄博包裝裝潢有限責任公司	Zibo Packaging & Decoration Company Limited of Shandong Xinhua Pharmaceutical Group	16,394	18,807
山東淄博新華一肯孚製藥有限公司	Shandong Zibo Xinhua – Chemferm Pharmaceutical Company Limited	15,604	1,618
山東新華博邦化工有限公司	Shandong Xinhua Bobang Chemical & Industrial Company Limited	7,051	—
合計	Total	<u>69,776</u>	<u>62,580</u>

本公司從山東新華隆信化工有限公司採購水楊酸按協議價進行結算，從其他關聯方採購物資按市場價格進行結算。

The Company purchases Salicylic acid at an agreed-upon price from Shandong Xinhua Longxin Chemical & Industrial Company Limited, and the Company purchases goods from the other related parties at the market price.

2.3 商標使用費

2.3 Trademark using fee

關聯方名稱	Related Party Name	關聯交易內容 Items	2005 金額 Amount	2004 金額 Amount
山東新華醫藥集團有限責任公司	Shandong Xinhua Pharmaceutical Group Company Limited	商標使用費 Trademark using fee	<u>200</u>	<u>200</u>

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

2 關聯交易 (續)

2.4 接受勞務

關聯方名稱	Related Party Name	2005 金額 Amount	2004 金額 Amount
山東新華醫藥集團濰博 綜合服務有限責任公司	Zibo All-purpose Service Company Limited of Shandong Xinhua Pharmaceutical Group	143	2,257

本公司從各關聯方接
受勞務按協議價格進
行結算。

The Company acquires services from related
parties at an agreed-upon price.

2.5 資產出租

關聯方名稱 Related Party Name	交易性質 Nature of deal	交易時間 Time of deal	2005 金額 Amount	2004 金額 Amount
山東濰博新達製藥有限公司 Shandong Xinhua Zibo XinCat Pharmaceutical Company Limited	房屋出租 House leasing	全年 Full year	1,506	1,506

本公司向關聯方出租資
產按協議價進行結算。

The Company lets out assets to related parties at
agreed upon price.

2.6 接受擔保

1) 2005年9月26日，
本公司與中國進出
口銀行簽定出口賣
方信貸合同，合同
金額為人民幣
20,000萬元，合同
期限為12個月。
山東新華醫藥集團
有限責任公司為本
公司在上述借款合同下的債務提供了
連帶責任保證。截
至2005年12月31
日，本公司已取得
該合同項下的
人民幣20,000萬元
借款；

2.6 Guaranty secured

1) On 26 September 2005, the Company
signed an export bargainor credit contract
with China Import & Export Bank with a
contracted amount of RMB200,000,000
and for a period of 12 months. Shandong
Xinhua Pharmaceutical Group provided
joint and several guaranty for the liabilities
of the Company under the above borrowing
contract. By the end of 31 December 2005,
the Company received RMB200,000,000
under the borrowing contract.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

2 關聯交易 (續)

2.6 接受擔保 (續)

- 2) 2005年12月19日，本公司與中國工商銀行淄博市張店區支行簽訂保證借款合同，合同金額2,000萬元，合同期限為12月。山東新華醫藥集團有限公司為本公司在上述借款合同下的債務提供了連帶責任保證。截至2005年12月31日，本公司已取得該合同項下的人民幣2,000萬元借款；
- 3) 2005年5月12日，本公司與招商銀行股份有限公司青島高新技術產業開發區支行簽訂保證借款合同，合同金額人民幣10,000萬元，合同期限為12月。山東新華醫藥集團有限公司為本公司在上述借款合同下的債務提供了連帶責任保證。截至2005年12月31日，本公司已取得該合同項下的等值300萬美元的人民幣借款。

8. Related Party Relationship and Transactions (continued)

2 Related Transactions (continued)

2.6 Guaranty secured (continued)

- 2) On 19 December 2005, the Company signed a secured loan contract with the branch of Industrial & Commercial Bank of China Zibo Zhangdian District with a contracted amount of RMB20,000,000 for a period of 12 months. Shandong Xinhua Pharmaceutical Group provided joint and several guaranty for the liabilities of the Company under the above borrowing contract. By the end of 31 December 2005, the Company received RMB20,000,000 under the borrowing contract.
- 3) On 12 May 2005, the Company signed a secured loan contract with the branch China Merchants Bank Qindao new and high-tech Industrial Development Zone with a contracted amount of RMB100,000,000 and for a period of 12 months. Shandong Xinhua Pharmaceutical Group provided joint and several guaranty for the liabilities of the Company under the above borrowing contract. By the end of 31 December 2005, the Company received USD3,000,000 under the borrowing contract.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

2 關聯交易 (續)

2.7 關聯方資金往來

關聯方名稱	Related Party Name	向關聯方提供資金		關聯方向上市公司提供資金	
		Fund provided to the related party	Fund provided to the public company by the related party		
		發生額	餘額	發生額	餘額
		Additions	Balance	Additions	Balance
山東新華醫藥集團 有限責任公司 ¹	Shandong Xinhua Pharmaceutical Group Company Limited	24,602	9,507	0	0
淄博新華一百利高 製藥有限責任公司 ²	Zibo Xinhua-Perrigo Pharmaceutical Company Limited	6,921	7,001	0	0

1) 本公司與山東新華醫藥集團有限責任公司的關聯方資金往來為無償往來，山東新華醫藥集團有限責任公司已於2006年3月10日出具承諾函，承諾於2006年9月30日前以現金清償欠款餘額人民幣9,507千元，並保證自2006年1月1日起，不再對本公司發生新的資金佔用。

2) 本公司向淄博新華一百利高製藥有限責任公司提供資金6,921千元，其中2,481千元借款日為2004年7月29日，借款期限2年，年利率為2.2675%；人民幣4,440千元借款日為2005年12月28日，借款期限1.5年，年利率為4.81%。本期應收淄博新華一百利高製藥有限責任公司的借款利息為人民幣80千元。

8. Related Party Relationship and Transactions (continued)

2 Related Transactions (continued)

2.7 Fund transactions between related parties

向關聯方提供資金	關聯方向上市公司提供資金
Fund provided to the related party	Fund provided to the public company by the related party
發生額	發生額
Additions	Additions
餘額	餘額
Balance	Balance
24,602	0
9,507	0
6,921	0
7,001	0

1) Fund transactions between the Company and Shandong Xinhua Pharmaceutical Group are free of charge. Shandong Xinhua Pharmaceutical Group Company Limited issued a letter of commitment to repay the balance of RMB9,507,000 in cash by 30 September 2006 and at the same time guaranteed not to occupy any capital of the Company from 1 January 2006 on.

2) The company provided a fund of RMB6,921,000 to Zibo Xinhua-Perrigo Pharmaceutical Company Limited, including RMB2,481,000 at the rate of 2.2675% per year for a period of 2 years, starting at the date of 29 July 2004; RMB4,440,000 at the rate of 4.81% per year for a period of 1.5 years, starting at the date of 28 December 2005. The interest due from Zibo Xinhua-Perrigo Pharmaceutical Company Limited incurred in the year of 2005 is RMB80,000.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
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(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

8. Related Party Relationship and Transactions (continued)

3 關聯方往來餘額

3 Related Party Current Account Balances

關聯方名稱 Related Party Name	科目名稱 A/C title	2005.12.31	2004.12.31
山東新華醫藥集團有限責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	其他應收款 Other receivables	9,507	13,953
山東新華工貿股份有限公司 Shandong Xinhua Industry & Trade Company	其他應收款 Other receivables	26,828	25,044
山東淄博新華一肯孚製藥有限公司 Shandong Zibo Xinhua – Chemferm Pharmaceutical Company Limited	其他應收款 Other receivables	722	(2,901)
山東淄博新達製藥有限公司 Shandong Xinhua Zibo XinCat Pharmaceutical Company Limited	其他應收款 Other receivables	7,746	6,383
山東新華醫藥集團淄博包裝 裝潢有限責任公司 Zibo Packing & Decoration Company Limited of Shandong Xinhua Pharmaceutical Group	其他應收款 Other receivables	(59)	(3,021)
山東新華醫藥集團淄博綜合 服務有限責任公司 Zibo All-purpose Service Company Limited of Shandong Xinhua Pharmaceutical Group	其他應收款 Other receivables	1,478	1,309
淄博新華一百利高製藥有限責任公司 Zibo Xinhua – Perrigo Pharmaceutical Company Limited	其他應收款 Other receivables	7,475	2,563
山東淄博新華一肯孚製藥有限公司 Shandong Zibo Xinhua – Chemferm Pharmaceutical Company Limited	應付票據 Notes payable	4,000	0
山東新華醫藥集團淄博包裝裝潢有限責任公司 Zibo Packing & Decoration Company Limited of Shandong Xinhua Pharmaceutical Group	應付票據 Notes payable	2,979	2,140
山東新華博邦化工有限責任公司* Shandong Xinhua Bobang Chemical & Industrial Company Limited *	應付賬款 Account payable	344	—
山東新華博邦化工有限責任公司 Shandong Xinhua Bobang Chemical & Industrial Company Limited	應付賬款 Notes payable	400	0
山東新華隆信化工有限公司 Shandong Xinhua Longxin Chemical & Industrial Company Limited	應付賬款 Account payable	145	0

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

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(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

八. 關聯方關係及其交易 (續)

3 關聯方往來餘額 (續)

* 本公司之母公司持有山東新華博邦化工有限責任公司的股份本年度由26%增加至53.55%，故本期山東新華博邦化工有限責任公司成為本公司的關聯方。

8. Related Party Relationship and Transactions (continued)

3 Related Party Current Account Balances (continued)

* The share of equity interest of Shandong Xinhua Bobang Chemical & Industrial Company Limited, which is held by the parent company of the Company, increased to 53.55% in 2005 from 26% in 2004, therefore, Shandong Xinhua Bobang Chemical & Industrial Company Limited becomes a related party of the Company.

九. 承諾事項

1 約定大額發包合同支出

截止2005年12月31日，本公司尚有已簽訂但未支付的約定大額發包合同支出共計人民幣9,668千元，具體情況如下：

項目名稱		合同金額	未付金額
Items		Contractual Amount	Amount Unpaid
吡唑酮工程	Pyrazolone Project	1,440	1,008
供銷倉庫工程	Warehouse Project	6,399	2,719
片劑項目擴建	Troche Project Expansion	15,332	1,510
物流中心工程	Logistical Centre Project	9,360	2,340
其他	Others	10,270	2,091
合計	Total	42,801	9,668

9. Commitments

1 Large-Sum Agreed-Upon Contractual Disbursements

As of 31 December 2005, the Company has entered into but not disbursed the agreed-upon contractual commitments with a total amount of RMB9,668,000. The detailed information of these commitments is as follows:

2 除存在上述承諾事項外，截止2005年12月31日，本公司無其他重大承諾事項。

2 The Company has no other capital commitments signed except for the above-mentioned on 31 December 2005.

十. 或有事項

截至2005年12月31日，本公司無需披露的重大或有事項。

10. Contingencies

The Company has no significant contingencies to be disclosed on 31 December 2005.

十一. 資產負債表日後事項

除附註六.1、六.25、八.2.7及附註十二所涉及的資產負債日後事項外，本公司無其他需披露的重大資產負債表日後事項。

十二. 其他重要事項

2004年10月20日本公司召開第四屆董事會第十四次會議討論了關於機械分廠搬遷改造及異地擴建建議方案，根據第四屆董事會第二十二次會議決議，本公司將位於淄博市張店區新華街25號的機械分廠所佔土地及地上附著物轉讓給山東寶源投資有限公司。根據本公司與山東寶源投資有限公司簽訂的資產轉讓協議，上述資產的轉讓成交價款為人民幣19,000千元，資產轉讓協議簽署之日起七日內山東寶源投資有限公司支付本公司人民幣12,000千元，其餘款項將於資產轉讓及過戶手續辦理完畢後支付，截至2005年12月31日，本公司已收到山東寶源投資有限公司支付的土地及地上附著物轉讓款共計人民幣12,000千元。截至審計報告日，該資產轉讓交易所涉及的土地使用權及地上附著物的過戶手續已辦理完畢。

本公司與該項資產轉讓相關的土地使用權賬面攤餘價值計人民幣3,342千元，地上附著物的賬面價值計人民幣821千元，此次交易所涉及的已交土地增值稅、營業稅計人民幣2,746千元。此次資產轉讓交易，本公司共獲利人民幣12,091千元，已計入本年度損益表。

11. Post Balance Sheet Date Events

The Company has no significant subsequent events to be disclosed except note 6.1, note 6.25, note 8.2.7 and note 12.

12. Other Important Events

On October 20, 2004, the 14th meeting of the 4th Board of Director discussed the proposal of moving, rebuilding and enlarging of the Machinery Subsidiary. According to the 22 of the 4th Board of Directors Meeting, the Company transferred its Machinery Subsidiary's land use right of No. 25 Xinhua Street Zhangdian district Zibo city and the attachment of the land thereon to Shandong Baoyuan Investment Company Limited. According to the assets transfer agreement between Shandong Baoyuan Investment Company Limited and the Company, the transfer price of the above assets is RMB19,000,000. Shandong Baoyuan Investment Company Limited should disburse RMB12,000,000 to the Company within 7 days after the agreement signed date, and the remaining amount should be disbursed when the transfer procedures for related proprietary is completed. By the end of 31 December 2005, the Company has received RMB12,000,000 from Shandong Baoyuan Investment Company Limited for the transferred land and the attachment of the land. As of the date of the Audit Report, transfer procedures for the above-mentioned certificate of the land use right and the attachment of the land thereon has been finished.

The book amortized value of the land use rights related to the transferred assets is RMB3,342,000, the book value of the attachment of the land is RMB821,000, VAT and sales tax paid for this transaction is RMB2,746,000. From this transaction, the Company totally gains profit of RMB12,091,000, which has been recorded in the income statement of the year.

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)

(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)

(根據中國會計準則編制)

(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

十三. 補充資料

- 1 按照中國證監會《公開發行證券的公司信息披露編報規則第九號—淨資產收益率和每股收益的計算及披露》的要求，本公司2005年度全面攤薄和加權平均計算的淨資產收益率及每股收益如下：

13. Supplementary Information

- 1 According to the requirements of “Rule 9 on the Information Disclosure and Presentation of Companies That Issue Securities to the Public – Calculation and Disclosure of Rate of Return on Equity and Earnings per Share” issued by China Securities Regulatory Commission, the fully diluted and weighted average rate of return on equity and earnings per share of the Company in 2005 are as follows:

報告期利潤	Reporting period net income	淨資產收益率		每股收益(元 / 股)	
		Rate of return on equity		EPS (RMB)	
		全面攤薄 Fully diluted	加權平均 Weighted average	全面攤薄 Fully diluted	加權平均 Weighted average
主營業務利潤	Profit from principal operations	22.04%	22.05%	0.65	0.65
營業利潤	Operating income	0.89%	0.89%	0.03	0.03
淨利潤	Net income	0.40%	0.40%	0.01	0.01
扣除非經常性 損益後的淨利潤	Net income after deductions of extraordinary gains or losses	(0.72%)	(0.72%)	(0.02)	(0.02)

會計報表註釋 (續)

NOTES TO THE ACCOUNTS (continued)

(本註釋除另有註明者外以人民幣千元為單位)
(UNLESS OTHERWISE INDICATED, ALL FIGURES ARE STATED IN RMB' 000)
(根據中國會計準則編制)
(PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS)

十三. 補充資料 (續)

13. Supplementary Information (continued)

2 非經常性損益

2 Non-Routine Profit or Loss

項目	Items	2005		2004	
		所得稅前 Before income tax	所得稅後 After income tax	所得稅前 Before Income tax	所得稅後 After income tax
處置長期股權 投資損益	Profit or loss deriving from disposal of long-term equity investment	(228)	(161)	(1,500)	(1,442)
處置固定資產及 土地使用權損益	Profit or loss deriving from disposal of fixed assets and land use rights	14,642	10,351	(78)	(75)
政府補貼	Government subsidies income	215	152	600	577
短期投資損益	Profit or loss pertinent to short-term investment	91	64	7,921	7,614
長期債權投資損益	Profit or loss deriving from entrusted investment	6,753	4,773	2,816	2,708
扣除公司日常 根據企業會計 制度規定計提的 資產減值準備後 的其他各項營業 外收入、支出	Non-operating income or expense subtracted from that attributable to accrual of provisions for asset impairment in accordance with accounting policy	(284)	(253)	(544)	(541)
以前年度已經計提 各項減值準備 的轉回	Reversed of any provisions for assets impairment made in prior years	157	111	0	0
合計	Total	21,346	15,037	9,215	8,841