



山東新華製藥股份有限公司
Shandong Xinhua Pharmaceutical Company Limited

(H股股份代號 H Share Stock Code : 0719)

(A股股份代號 A Share Stock Code : 000756)



2011 年報
Annual Report

Contents 目錄

- 2 — 公司基本情況簡介
Company Information
- 5 — 會計數據和業務數據摘要
Summary of Financial and Operating Results
- 12 — 股本變動及股東情況
Changes in Share Capital and Shareholders
- 16 — 董事、監事、高級管理人員和員工情況
Directors, Supervisors, Senior Officers and Staff
- 27 — 公司治理報告
Corporate Governance Report
- 45 — 股東大會簡介
Summarised Report of the General Meeting
- 47 — 董事長報告
Chairman's Statement
- 52 — 董事會報告
Report of the Board of Directors
- 73 — 監事會報告
Report of the Supervisory Committee
- 75 — 重要事項
Important Issues
- 77 — 香港獨立核數師報告
Hong Kong Independent Auditor's Report
- 79 — 根據香港普遍採納之會計原則編制之賬目
Accounts prepared under Hong Kong Generally Accepted Accounting Principles
- 172 — 中國審計師報告
PRC Auditor's Report
- 174 — 根據中國會計準則編制之賬目
Accounts prepared in accordance with PRC Accounting Standards
- 312 — 備查文件
Documents Available for Inspection

重要提示：山東新華製藥股份有限公司(「公司」)董事會(「董事會」)、監事會(「監事會」)及董事(「董事」)、監事(「監事」)、高級管理人員(「高級管理人員」)保證本報告所載資料不存在任何虛假記載、誤導性陳述或者重大遺漏，並對其內容的真實性、準確性和完整性承擔個別及連帶責任。

董事長張代銘先生、財務負責人趙松國先生、財務資產部經理王建信先生聲明：保證本年度報告中財務報告真實、完整。

本報告分別以中文及英文刊載。如中英文有任何差異，概以中文為準。

Important: The board of directors ("Board of Directors") and the supervisory committee ("Supervisory Committee") and each of the directors ("Directors"), the supervisors ("Supervisors") and the senior officers ("Senior Officers") of Shandong Xinhua Pharmaceutical Company Limited (the "Company") hereby confirm that there are no false representations, material omissions or misleading statements contained in this report, and they, severally and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of this report.

The chairman (Mr. Zhang Daiming), financial controller (Mr. Zhao Songguo) and the chief of the finance department (Mr. Wang Jianxin) of the Company hereby declare that the financial report of the Company for 2011 is true and complete.

This report has been prepared in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

公司基本情況簡介

Company Information

公司中文名稱 Chinese Name of the Company	:	山東新華製藥股份有限公司(「公司」)
公司英文名稱 English Name of the Company	:	Shandong Xinhua Pharmaceutical Company Limited (“Company”)
公司法定代表人 Legal Representative	:	張代銘 Mr. Zhang Daiming
董事會秘書 Company Secretaries	:	曹長求 郭磊 Mr. Cao Changqiu, Ms. Guo Lei
聯繫電話 Telephone Number	:	86-533-219 6024
傳真號碼 Facsimile Number	:	86-533-228 7508
董秘電子信箱 E-mail Address of Company Secretaries	:	cqcao@xhzy.com; guolei@xhzy.com
公司註冊地址 Registered Address	:	中華人民共和國(「中國」) 山東省淄博市高新技術產業開發區化工區 Chemical Industry Area of Zibo Hi-tech Industry Development Zone, Zibo City, Shandong Province, The People’s Republic of China (the “PRC”)
公司辦公地址 Office Address	:	中國山東省淄博市高新技術產業開發區化工區 Chemical Industry Area of Zibo Hi-tech Industry Development Zone, Zibo City, Shandong Province, PRC
郵政編碼 Postal Code	:	255005
公司國際互聯網址 Website of the Company	:	http://www.xhzy.com
公司電子信箱 E-mail Address of the Company	:	xhzy@xhzy.com
國內信息披露報紙 PRC newspapers for information disclosure	:	《證券時報》 Securities Times
登載年報的中國證監會 指定網站的網址 Website designated by China Securities Regulatory Commission (“CSRC”)	:	http://www.cninfo.com.cn

上市資料

Listing information

H股

H Shares

交易所 : 香港聯合交易所有限公司(「香港聯交所」)
Stock Exchange : The Stock Exchange of Hong Kong Limited (“SEHK”)
簡稱 : 山東新華製藥
Abbreviated Name : Shandong Xinhua
代碼 : 0719
Stock Code

A股

A Shares

交易所 : 深圳證券交易所
Stock Exchange : Shenzhen Stock Exchange
簡稱 : 新華製藥
Abbreviated Name : Xinhua Pharm
代碼 : 000756
Stock Code

變更註冊登記日期 : 2001年12月19日
Date of Renewal of Registration : 19 December 2001

註冊登記地點 : 山東省淄博市工商行政管理局
Place of Registration : Zibo Municipal Administration of Industry and Commerce of Shandong Province

工商登記號碼 : 370300400000376
Business Registration Number

稅務登記號碼 : 370303164103727
Taxation Registration Number

組織機構代碼 : 16410372-7
Organization Code

核數師
Auditors

國際 : 信永中和(香港)會計師事務所有限公司
International : 香港銅鑼灣希慎道33號利園43樓
SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

中國 : 信永中和會計師事務所
中國 : 註冊會計師
中國北京市東城區朝陽門北大街8號富華大廈A座9樓
郵編 : 100027

PRC : ShineWing
Certified Public Accountants
9/F., Block A, Fu Hua Mansion,
8 Chaoyangmen Beidajie,
Dongcheng District,
Beijing 100027, PRC

公司基本情況簡介(續)

Company Information (continued)

法律顧問

Legal Advisers

香港

: 易周律師行
香港灣仔皇后大道東43-59號東美中心1201
Charltons
1201 Dominion Centre
43-59 Queen's Road East, Wanchai,
Hong Kong

As to Hong Kong Law

中國

: 北京競天公誠律師事務所
北京市朝陽區建國路77號華貿中心3號樓34層
郵編：100025

As to PRC Law

Jingtian Gongcheng Associates
34th Floor, 3 Building, Huamao Center,
77 Jianguo Road, Chaoyang District,
Beijing 100025, PRC

主要往來銀行

: 中國工商銀行淄博張店支行
中國山東省淄博市張店區人民東路2號
The Industrial and Commercial Bank of China
Zibo Zhangdian Branch
2 Renmin Dong Road,
Zibo City, Shandong Province, PRC

Principal Banker

H股股份過戶登記處

: 香港證券登記有限公司
香港皇后大道東183號合和中心17樓
Hong Kong Registrars Limited
17th Floor, Hopewell Centre,
183 Queen's Road East,
Hong Kong

Share Registrars of H Shares

公司資料查詢地點

Corporate Information Available at

: 山東新華製藥股份有限公司董事會秘書室
Company Secretaries Office
Shandong Xinhua Pharmaceutical Company Limited

會計數據和業務數據摘要

Summary of Financial and Operating Results

1. 按中國會計準則編制二零一一年度主要會計數據(經審計)

1. Key financial data for the year ended 31 December 2011 prepared in accordance with PRC accounting standards (Audited)

項目	Items	二零一一年度 2011 人民幣元 RMB
營業利潤	Operating profit	71,927,673.11
利潤總額	Profit before taxation	93,211,526.67
歸屬於上市公司股東的淨利潤	Profit attributable to the equity holders of the Company	76,023,665.57
歸屬於上市公司股東的扣除非經常性損益後的淨利潤(附註)	Profit attributable to the equity holders of the Company after extraordinary loss (Note)	54,823,601.21
經營活動產生的現金流量淨額	Net cash flow from operating activities	97,083,018.85

附註：非經常性損益的扣除項目及金額(所得稅後)如下：

Note: Extraordinary items after income tax include:

項目	Items	二零一一年度		備註	Notes	二零一零年度		二零零九年度	
		2011	2011			2010	2009		
		人民幣元	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	RMB
非流動資產處置損益	Profit or loss from disposal of non-current assets	(3,438,803.56)		處置固定資產損失	Loss of disposal of fixed assets	(13,024,418.06)		(17,333,032.45)	
計入當期損益的政府補助，但與公司正常經營業務密切相關，符合國家政策規定，按照一定標準定額或定量持續享受的政府補助除外	Government subsidies recognise in current profit and loss, (excluding those closely related to the Company's normal operations and granted on an ongoing basis under the State's policies according to certain quota of amount or volume)	29,258,563.27		收到的計入當期損益的政府補助	Received government subsidies reckon into current term	7,336,000.00		2,567,870.12	
除同公司正常經營業務相關的有效套期保值業務外，持有交易性金融資產、交易性金融負債產生的公允價值變動損益，以及處置交易性金融資產、交易性金融負債和可供出售金融資產取得的投資收益	Gains/losses from fair value changes of trading financial assets and trading financial liabilities, and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, except effective hedging activities related to the Company's normal operations	3,866,053.56		遠期結匯公允價值變動及可供出售金融資產分紅	Change in fair value foreign exchange forward contracts & dividends of held-for sale financial assets	3,048,698.99		10,586,380.93	
除上述各項之外的其他營業外收入和支出	Non-operating income or cost except items above	(4,525,232.16)				(868,335.09)		(1,766,653.63)	
少數股東權益影響額	Minority interests	(4,509.31)				(19,851.04)		27,593.16	
所得稅影響額	Income tax	(3,956,007.44)				(1,530,339.21)		(896,697.61)	
合計	Total	21,200,064.36				(5,058,244.41)		(6,814,539.48)	

會計數據和業務數據摘要 (續)

Summary of Financial and Operating Results (continued)

1. 按中國會計準則編制二零一一年度主要會計數據 (經審計) (續)

採用公允價值計量的項目

項目	Items	期初金額	本期公允	計入權益的累計	本期計提的減值	期末金額
		Amount as at 1 January 2011 (人民幣元) (RMB)	價值變動損益 Change of fair value (人民幣元) (RMB)	公允價值變動 Total change of fair value (人民幣元) (RMB)	Provision impairment (人民幣元) (RMB)	Amount as at 31 December 2011 (人民幣元) (RMB)
金融資產：	Financial assets:					
其中：1. 以公允價值計量且其變動計入當期損益的金融資產	Include: 1. Financial assets by fair value and its change is included into profit and loss	—	—	—	—	—
其中：衍生金融資產	Include: Derivative financial assets	—	—	—	—	—
2. 可供出售金融資產	2. Available-for-sale financial assets	168,292,466.44	—	111,646,698.00	—	136,072,016.00
金融資產小計	Total of financial assets	168,292,466.44	—	111,646,698.00	—	136,072,016.00
合計	Total	168,292,466.44	—	111,646,698.00	—	136,072,016.00

1. Key financial data for the year ended 31 December 2011 prepared in accordance with PRC accounting standards (Audited) (continued)

Items by fair value

2. 財務摘要

- (i) 按香港普遍採納之會計原則
編制(經審計)

綜合收益表

		2011	2010	2009	2008	2007
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
營業額	Revenue	<u>2,917,860</u>	<u>2,589,447</u>	<u>2,295,101</u>	<u>2,077,753</u>	<u>1,865,568</u>
除稅前溢利	Profit before tax	<u>91,272</u>	<u>128,967</u>	<u>116,388</u>	<u>41,447</u>	<u>37,364</u>
所得稅費用	Income tax expense	<u>(13,302)</u>	<u>(22,159)</u>	<u>(13,008)</u>	<u>(5,677)</u>	<u>400</u>
本年度溢利	Profit for the year	<u>77,970</u>	<u>106,808</u>	<u>103,380</u>	<u>35,770</u>	<u>37,764</u>
非控股權益	Non-controlling interests	<u>3,595</u>	<u>5,509</u>	<u>3,693</u>	<u>5,706</u>	<u>5,946</u>
本公司所有人應佔溢利	Profit attributable to owners of the Company	<u>74,375</u>	<u>101,299</u>	<u>99,687</u>	<u>30,064</u>	<u>31,818</u>

綜合財務狀況表

		2011	2010	2009	2008	2007
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
總資產	Total assets	<u>3,017,412</u>	<u>2,772,599</u>	<u>2,636,363</u>	<u>2,159,424</u>	<u>2,260,100</u>
總負債	Total liabilities	<u>(1,259,624)</u>	<u>(1,048,367)</u>	<u>(955,542)</u>	<u>(659,144)</u>	<u>(526,061)</u>
非控股權益	Non-controlling interests	<u>(39,807)</u>	<u>(38,010)</u>	<u>(36,318)</u>	<u>(33,746)</u>	<u>(50,793)</u>
本公司所有人應佔權益	Equity attributable to owners of the Company	<u>1,717,981</u>	<u>1,686,222</u>	<u>1,644,503</u>	<u>1,466,534</u>	<u>1,683,246</u>

2. Financial Summary

- (i) In accordance with Hong Kong Generally Accepted Accounting Principles ("HKGAAP") (Audited)

Consolidated income statement

		2011	2010	2009	2008	2007
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue		<u>2,917,860</u>	<u>2,589,447</u>	<u>2,295,101</u>	<u>2,077,753</u>	<u>1,865,568</u>
Profit before tax		<u>91,272</u>	<u>128,967</u>	<u>116,388</u>	<u>41,447</u>	<u>37,364</u>
Income tax expense		<u>(13,302)</u>	<u>(22,159)</u>	<u>(13,008)</u>	<u>(5,677)</u>	<u>400</u>
Profit for the year		<u>77,970</u>	<u>106,808</u>	<u>103,380</u>	<u>35,770</u>	<u>37,764</u>
Non-controlling interests		<u>3,595</u>	<u>5,509</u>	<u>3,693</u>	<u>5,706</u>	<u>5,946</u>
Profit attributable to owners of the Company		<u>74,375</u>	<u>101,299</u>	<u>99,687</u>	<u>30,064</u>	<u>31,818</u>

Consolidated statement of financial position

		2011	2010	2009	2008	2007
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets		<u>3,017,412</u>	<u>2,772,599</u>	<u>2,636,363</u>	<u>2,159,424</u>	<u>2,260,100</u>
Total liabilities		<u>(1,259,624)</u>	<u>(1,048,367)</u>	<u>(955,542)</u>	<u>(659,144)</u>	<u>(526,061)</u>
Non-controlling interests		<u>(39,807)</u>	<u>(38,010)</u>	<u>(36,318)</u>	<u>(33,746)</u>	<u>(50,793)</u>
Equity attributable to owners of the Company		<u>1,717,981</u>	<u>1,686,222</u>	<u>1,644,503</u>	<u>1,466,534</u>	<u>1,683,246</u>

會計數據和業務數據摘要 (續)
Summary of Financial and Operating Results (continued)

2. 財務摘要 (續)

(ii) 按中國會計準則編制 (經審計)

主要財務數據

項目 Item	2011 (人民幣元) RMB	2010 (人民幣元) RMB	本年比上年增減 Change as compared to the last year	
			(%)	2009 (人民幣元) RMB
營業總收入 Total operating income	2,937,528,055.33	2,614,233,634.62	12.37	2,321,927,213.25
營業利潤 Operating profit	71,927,673.11	131,701,950.29	(45.39)	135,909,489.78
利潤總額 Profit before taxation	93,211,526.67	125,128,440.97	(25.51)	119,373,878.21
歸屬於上市公司股東的淨利潤 Profit attributable to the equity holders of the Company	76,023,665.57	97,256,602.75	(21.83)	102,244,346.19
歸屬於上市公司股東的扣除非經常性 損益後的淨利潤 Profit attributable to the equity holders of the Company after extraordinary loss	54,823,601.21	102,314,847.16	(46.42)	109,058,885.67
經營活動產生的現金流量淨額 Net cash flow from operating activities	97,083,018.85	173,000,248.75	(43.88)	344,795,891.77

2. Financial Summary (continued)

(ii) In accordance with PRC accounting standards (Audited)

Principal financial date

項目 Item	2011年 12月31日 As at 31 December 2011 (人民幣元) RMB	2010年 12月31日 As at 31 December 2010 (人民幣元) RMB	本年末 比上年末增減 Change as compared to the end of last year (%)	2009年 12月31日 As at 31 December 2009 (人民幣元) RMB
	資產總額 Total assets	3,004,190,190.68	2,739,564,533.49	9.66
負債總額 Total liabilities	1,254,451,169.37	1,025,030,560.11	22.38	956,223,520.89
歸屬於上市公司股東所有者權益 Total equity attributable to equity holders of the Company	1,709,932,330.07	1,676,523,546.19	1.99	1,633,645,846.35
股本(股) Capital (share)	457,312,830.00	457,312,830.00	—	457,312,830.00

2. 財務摘要(續)

(ii) 按中國會計準則編制(經審計)
(續)

主要財務指標

Item 項目	2011年 RMB (人民幣元)	2010年 RMB (人民幣元)	本年比上年增減 Change as compared to the last year (%)	2009 RMB (人民幣元)
基本每股收益	0.17	0.21	(19.05)	0.22
Basic earnings per share				
稀釋每股收益	0.17	0.21	(19.05)	0.22
Diluted earnings per share				
扣除非經常性損益後的基本每股收益	0.12	0.22	(45.45)	0.24
Basic earnings per share after extraordinary loss				
加權平均淨資產收益率(%)	4.46	5.81	下降1.35個百分點 Decreased by 1.35 points	6.83
Return on equity of weighted average (%)				
扣除非經常性損益後的 加權平均淨資產收益率(%)	3.22	6.11	下降2.89個百分點 Decreased by 2.89 points	7.28
Return on equity of weighted average after extraordinary loss (%)				
每股經營活動產生的現金流量淨額	0.21	0.38	(44.74)	0.75
Net cash flow from operating activities per share				

Item 項目	2011年 12月31日 As at 31 December 2011 RMB (人民幣元)	2010年 12月31日 As at 31 December 2010 RMB (人民幣元)	本年末 比上年末增減 Change as compared to the end of last year (%)	2009年末 As at 31 December 2009 RMB (人民幣元)
歸屬於上市公司股東的每股淨資產	3.74	3.67	1.91	3.57
Net assets per share attributable to equity holders of the Company				
資產負債率(%)	41.76	37.42	上升4.34個百分點 Increased by 4.34 points	36.41
Asset-liability ratio (%)				

註： 報告期末至報告披露日本
公司股本未發生變化。

Note: There has been no change in the share capital of the
Company from the end of the financial year 2011 to the
publication date of the results announcement of 2011.

會計數據和業務數據摘要 (續)
 Summary of Financial and Operating Results (continued)

2. 財務摘要 (續)

(iii) 按中國會計準則編制的利潤表附表(經審計)

2. Financial Summary (continued)

(iii) Appendix to the profit and loss account prepared in accordance with PRC accounting standards (Audited)

報告期利潤 Reported Profit	加權平均淨資產收益率(%) Weighted average return on equity (%)		每股收益(人民幣元) Earnings per share (RMB)			
			基本每股收益 Basic earnings per share		稀釋每股收益 Diluted earnings per share	
	2011	2010	2011	2010	2011	2010
歸屬於上市公司股東的淨利潤 Profit attributable to the equity holders of the Company	4.46	5.81	0.17	0.21	0.17	0.21
歸屬於上市公司股東的扣除 非經常性損益後的淨利潤 Profit attributable to the equity holders of the Company after extraordinary loss items	3.22	6.11	0.12	0.22	0.12	0.22

3. 按照中國會計準則和香港普遍採納之會計原則編制帳目差異

3. Reconciliation of accounts prepared in accordance with PRC accounting standards and HKGAAP

	本公司所有人應佔溢利		淨資產	
	Profit attributable to owners		Net assets	
	of the Company		(人民幣元)	
	(人民幣元)		(人民幣元)	
	RMB		RMB	
	本期數	上期數	期末數	期初數
			As at	As at
			31 December	1 January
	2011	2010	2011	2011
按香港普遍採納之會計原則 Prepared under HKGAAP	74,375,000.00	101,299,000.00	1,717,981,000.00	1,686,222,000.00
按中國會計準則 Prepared under PRC accounting standards	76,023,665.57	97,256,602.75	1,709,932,330.07	1,676,523,546.19
按香港普遍採納之會計原則調整的分項及合計： HKGAAP adjustments:				
遞延稅項 Depreciation charges due to revaluation in previous years	292,334.43	204,397.25	(1,420,330.07)	(1,711,546.19)
教育準備金 Surplus from revaluation for listing of H Shares	(1,941,000.00)	(1,362,000.00)	9,469,000.00	11,410,000.00
其他 Others	-	5,200,000.00	-	-
按香港普遍採納之會計原則差異合計 HKGAAP adjustments total	(1,648,665.57)	4,042,397.25	8,048,669.93	9,698,453.81

附註： 境內外會計準則差異的說明：

Note: Explanation of the difference between the PRC accounting standards and HKGAAP:

- 按照香港普遍採納之會計原則教育經費據實列支、無需計提，截至2011年12月31日止按中國會計準則計提的教育經費餘額為人民幣9,469,000.00元，而人民幣1,941,000.00元為2011年度教育經費發生額；
- 由於上述差異，對本公司的遞延所得稅也帶來了差異，累計遞延所得稅差異為人民幣1,420,330.07元，當期遞延所得稅差異為人民幣292,334.43元。

- Education expenses are regarded as actual expenditure without the need of provision under HKGAAP. As at 31 December 2011, the balance of education expenses was RMB9,469,000.00 under the PRC accounting standards, and the education expenses were RMB1,941,000.00 for 2011;
- The aforesaid difference also led to the difference in the Company's deferred income tax, with the difference in accumulated deferred income tax being RMB1,420,330.07 and the deferred income tax of the current period being RMB292,334.43.

股本變動及股東情況

Changes In Share Capital and Shareholders

1. 股份變動情況表

1. Share capital structure

股份類別 Class of shares	2011年12月31日 31 December 2011		2011年1月1日 1 January 2011	
	股份數量 Number of Shares (share)	佔總股本比例 % of the total share capital (%)	股份數量 Number of Shares (share)	佔總股本比例 % of the total share capital (%)
1. 有限售條件的流通股合計 Total number of shares subject to conditions of trading	5,331	0	20,112	0.004
國家持股 Stated-owned shares	-	-	-	-
境內法人持股 Domestic legal person shares	-	-	-	-
A股有限售條件高管股 Senior management A shares subject to conditions of trading	5,331	0	20,112	0.004
境內非國有法人持股 Domestic non-state legal person shares	-	-	-	-
2. 無限售條件的流通股合計 Total number of unconditional tradable shares	457,307,499	100.00	457,292,718	99.996
人民幣普通股(A股) Renminbi ordinary shares (A shares)	307,307,499	67.20	307,292,718	67.196
境外上市外資股(H股) Overseas listed foreign shares (H shares)	150,000,000	32.80	150,000,000	32.80
3. 股份總數 Total number of shares	457,312,830	100.00	457,312,830	100.00

附註：截至2011年12月31日青島豪威投資發展有限公司持有本公司11,250,000股股份被質押凍結。

Note: As at 31 December 2011, a total of 11,250,000 shares held by Qingdao Haowei Investment Development Company Limited in the Company have been mortgaged.

2. 股東情況介紹

- (i) 於二零一一年十二月三十一日，本公司股東總數為40,401戶，包括H股股東57戶，A股股東40,344戶。

於二零一二年二月二十九日，本公司股東總數為40,175戶，包括H股股東57戶，A股股東40,118戶。

- (ii) 於二零一一年十二月三十一日持有本公司股份前十名股東情況如下：

2. Substantial shareholders

- (i) As at 31 December 2011, the Company had on record a total of 40,401 shareholders, including 57 holders of H Shares and 40,344 holders of A Shares.

As at 29 February 2012, the Company had on record a total of 40,175 shareholders, including 57 holders of H Shares and 40,118 holders of A Shares.

- (ii) As at 31 December 2011, the top ten shareholders of the Company were as follows:

序號 No	股東名稱 Name of Shareholder	股份性質 Class of shares	持股數 Number of shares held	佔總股本比例(%) % of the total share capital
1	山東新華醫藥集團有限責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	國家股·A股 State-owned shareholder, A shares	166,115,720	36.32
2	香港中央結算(代理人)有限公司 HKSCC (Nominees) Limited	流通H股 Listed H shares	147,911,998	32.34
3	青島豪威投資發展有限公司 Qingdao Haowei Investment Development Company Limited	境內一般法人股 Domestic general legal person shares	11,536,143	2.52
4	王翠平 Wang Cuiping	境內自然人 Domestic person	751,400	0.16
5	張琳琳 Zhang Linlin	境內自然人 Domestic person	574,000	0.13
6	鄭惠丹 Zheng Huidan	境內自然人 Domestic person	499,990	0.11
7	WANG ZHIHAI WANG ZHIHAI	流通H股 Listed H shares	456,000	0.10
8	劉世大 Liu Shida	境內自然人 Domestic person	400,000	0.09
9	周吉長 Zhou Jichang	境內自然人 Domestic person	371,500	0.08
10	HSIA SUI KUN HSIA SUI KUN	流通H股 Listed H shares	362,000	0.08

股本變動及股東情況(續)

Changes In Share Capital and Shareholders (continued)

2. 股東情況介紹(續)

(ii) (續)

於二零一一年十二月三十一日持有本公司股份前十名無限售條件股東情況如下：

股東名稱 Name of Shareholder	持有無限售條件股份數量 Number of unconditional listed shares	股份種類 Class of shares
山東新華醫藥集團有限責任公司 Shandong Xinhua Pharmaceutical Group Company Limited	166,115,720	A股 A Shares
香港中央結算(代理人)有限公司 HKSCC (Nominees) Limited	147,911,998	H股 H Shares
青島豪威投資發展有限公司 Qingdao Haowei Investment Development Company Limited	11,536,143	A股 A Shares
王翠平 Wang Cuiping	751,400	A股 A Shares
張琳琳 Zhang Linlin	574,000	A股 A Shares
鄭惠丹 Zheng Huidan	499,990	A股 A Shares
WANG ZHIHAI	456,000	H股 H Shares
WANG ZHIHAI	400,000	A股 A Shares
劉世大 Liu Shida	371,500	A股 A Shares
周吉長 Zhou Jichang	362,000	H股 H Shares
HSIA SUI KUN		
HSIA SUI KUN		

附註：

1. 本公司董事未知，上述十大股東中股東之間是否存在關聯關係或中國證券監督管理委員會(「中國證監會」)頒佈之《上市公司股東持股變動信息披露管理辦法》規定的一致行動人，也未知外資股東之間是否存在關聯關係或《上市公司股東持股變動信息披露管理辦法》規定的一致行動人。

本公司董事未知上述無限售條件股東之間、上述無限售條件股東與十大股東之間是否存在關聯關係，也不知是否存在《上市公司股東持股變動信息披露管理辦法》規定的一致行動人。

2. 持有本公司股份5%以上的境內股東為山東新華醫藥集團有限責任公司。

2. Substantial shareholders (continued)

(ii) (continued)

As at 31 December 2011, the top ten shareholders holding the unconditional tradable shares of the Company were as follows:

持有無限售條件股份數量 Number of unconditional listed shares	股份種類 Class of shares
166,115,720	A股 A Shares
147,911,998	H股 H Shares
11,536,143	A股 A Shares
751,400	A股 A Shares
574,000	A股 A Shares
499,990	A股 A Shares
456,000	H股 H Shares
400,000	A股 A Shares
371,500	A股 A Shares
362,000	H股 H Shares

Note:

1. The Directors are not aware as to whether there is any association amongst the ten largest shareholders of the Company, nor the persons acting in concert as defined in the "Rules for the information Disclosure of Changes in the Shareholding of Listed Companies" issued by the China Securities Regulatory Commission (the "CSRC"). In addition, the Directors do not know whether there is any association amongst the shareholders of H Shares of the Company or persons acting in concert as referred to above.

The Directors do not know whether there is any association amongst the ten largest shareholders of unconditional tradable shares of the Company, any association between the ten largest shareholders of the Company and the ten largest shareholders of the Company or the persons acting in concert as defined in the "Rules for the information Disclosure of Changes in the Shareholding of Listed Companies".

2. The only domestic shareholder with more than 5% of the total issued shares of the Company is Shandong Xinhua Pharmaceutical Group Company Limited ("SXPGC").

2. 股東情況介紹 (續)

(iii) 控股股東情況

本公司控股股東為山東新華醫藥集團有限責任公司(「新華集團」)，新華集團成立於一九九五年六月十五日，為國有獨資公司，註冊資本為人民幣29,850萬元，法人代表為張代銘，其經營範圍為：投資於建築工程設計、房地產開發、餐飲；包裝裝潢、化工機械設備、儀器、儀表的製造、銷售；化工產品(除化學危險品)銷售；經營進出口業務(資質證範圍內經營)。

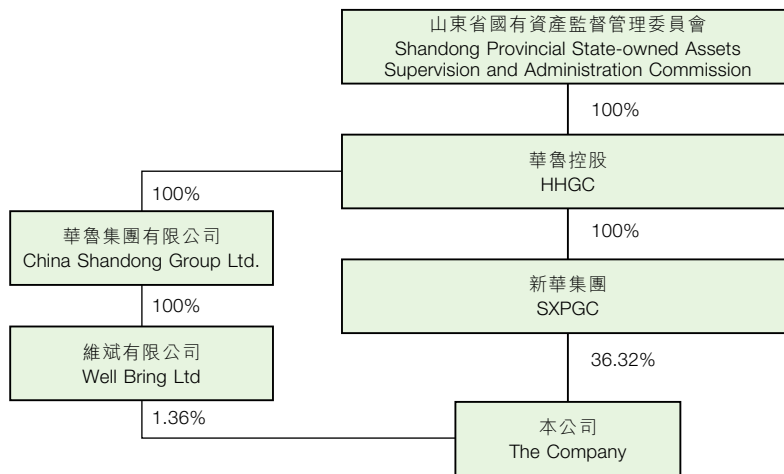
新華集團的控股股東為華魯控股集團有限公司(「華魯控股」)，成立於2005年1月28日，註冊資本人民幣8億元，為國有獨資公司，法人代表為程廣輝，經營範圍為：對化肥、石化產業投資，其他非國家(或地方)禁止性行業的產業投資，資產管理。

2. Substantial shareholders (continued)

(iii) Information about the controlling shareholders

Shandong Xinhua Pharmaceutical Group Company Limited (the “SXPGC”), being the controlling shareholder of the Company, was established as a wholly state-owned company on 15 June 1995. The registered capital of SXPGC is RMB298,500,000 and its legal representative is Mr. Zhang Daiming. SXPGC is mainly engaged in the engineering design, real estate and restaurants; packaging, and manufacturing of chemical equipment; production and sale of chemical engineering apparatus and instruments; sales of chemical products (except for hazardous chemicals) and import and export business (within the scope approved).

Hualu Holdings Group Company Limited (“HHGC”), a wholly state-owned company, the controlling shareholder of SXPGC, was established on 28 January 2005. The registered capital of HHGC is RMB800,000,000 and its legal representative is Mr. Cheng Guanghui. HHGC is mainly engaged in the investment of fertilisers, petrochemical industries and investment in sectors which are not prohibited by the state (or the local community). HHGC is also engaged in asset management.



董事、監事、高級管理人員和員工情況

Directors, Supervisors, Senior Officers and Staff

董事、監事及其他高級管理人員 簡介

董事

張代銘先生，49歲，高級經濟師，畢業於青島科技大學有機化工專業，上海財經大學經濟學碩士。一九八七年到山東新華製藥廠工作，歷任車間技術員，計劃統計處綜合計劃員，國際貿易部副經理、經理，本公司副總經理。現任本公司董事長，山東新華醫藥集團有限責任公司董事長，山東新華製藥進出口有限責任公司董事長，山東新華製藥(歐洲)有限公司董事長，山東新華醫藥貿易有限公司董事長，淄博新華—中西製藥有限責任公司董事長，淄博新華—百利高製藥有限公司董事長，新華(淄博)置業有限公司董事長。

任福龍先生，49歲，高級工程師、執業藥師，一九八五年畢業於山東昌濰醫學院醫學專業。一九八五年至一九八八年任住院醫師。一九九一年獲得北京醫科大學醫學碩士學位，同年到山東新華製藥廠工作，歷任研究院副院長、院長，本公司總經理助理、副總經理，新華醫藥集團副總經理，本公司總經理。任先生現任本公司董事，山東新華醫藥集團有限責任公司董事、總經理。

Brief Introduction of Directors, Supervisors and Senior Officers

Directors

Mr. Zhang Daiming, aged 49, is a senior economist. He graduated from Qingdao Science and Technology University, specialising in organic chemical engineering and obtained a master's degree in economics from Shanghai Financial and Economic University. Mr. Zhang joined Shangdong Xinhua Pharmaceutical Factory in 1987 and was previously a workshop technician, planner of the planning and statistics department of the Company, the deputy manager and manager of the international trade department of the Company and the deputy general manager of the Company. Mr. Zhang is the Chairman of the Company, the chairman of the board of Shandong Xinhua Pharmaceutical Group Company Limited, Shandong Xinhua Import & Export Company Limited and Shandong Xinhua Pharmaceutical (Europe) GmbH, and the chairman of Shandong Xinhua Medical Trade Company Limited, Zibo Xinhua Eastwest Pharmaceutical Company Limited, Zibo Xinhua- Perrigo Pharmaceutical Company Limited and Xinhua (Zibo) Properties Company Limited.

Mr. Ren Fulong, aged 49, is a senior engineer and practising pharmacist. He graduated from Shandong Changwei Medicine College in 1985. From 1985 to 1988, Mr. Ren was a resident physician. In 1991, Mr. Ren obtained his master of medicine from Beijing Medical University and joined the Shandong Xinhua Pharmaceutical Factory in the same year. He previously held the positions of the deputy director and the director of the Company's research institute, the assistant to the general manager and the deputy general manager of the Company, the deputy general manager of SXPGC and the general manager of the Company. Mr. Ren is the director of the Company, the director and general manager of SXPGC.

董事、監事及其他高級管理人員簡介(續)

董事(續)

杜德平先生，42歲，高級工程師，畢業於中國海洋大學化學專業，山東大學藥物化學碩士。一九九一年到山東新華製藥廠工作，歷任車間副主任、主任，總經理助理，副總經理。現任本公司董事、總經理，淄博新華醫藥設計院有限公司董事長，新華製藥(壽光)有限公司董事長。

趙松國先生，48歲，高級會計師，一九八六年畢業於山東廣播電視大學企業經營管理專業，二零零四年結業於中國海洋大學財務管理專業研究生課程進修班。一九八零年到山東新華製藥廠工作，歷任財務處科長、處長，總經理助理。趙先生現任本公司董事、副總經理、財務負責人，淄博新華—中西製藥有限責任公司董事，山東新華製藥進出口有限責任公司董事，山東新華醫藥貿易有限公司董事，淄博新華大藥店連鎖有限公司董事，山東新華製藥(歐洲)有限公司董事，新華製藥(壽光)有限公司董事。

徐列先生，46歲，高級經濟師，大學學歷。一九八六年到山東新華製藥廠工作，歷任辦公室副科長、科長，辦公室副主任，人力資源部經理，現任本公司董事、工會主席，山東新華醫藥集團有限責任公司董事、工會主席。

趙斌先生，52歲，畢業於中南財經政法大學EMBA，1976年參加中國人民解放軍，歷任濟南軍區、山東省軍區下屬單位戰士、副連職幹事、正連職幹事、副營職幹事、政治處副主任、主任。1998年到企業工作，歷任山東華魯集團有限公司投資部經理、辦公室總經理，山東華魯國際商務中心有限公司副總經理，華魯控股集團有限公司規劃發展部總經理。現任本公司董事，並任華魯控股集團有限公司助理總經理兼規劃發展部總經理。

Brief Introduction of Directors, Supervisors and Senior Officers (continued)

Directors (continued)

Mr. Du Deping, aged 42, is a senior engineer. He graduated from the Ocean University of PRC, specialising in chemistry and obtained a master's degree in medicinal chemistry from Shandong University. He joined Shandong Xinhua Pharmaceutical Factory in 1991. He was previously a deputy head and head of the workshop, assistant to the general manager of the Company and deputy general manager of the Company. Mr. Du is currently a director and the general manager of the Company, and the chairman of the board of Zibo Xinhua Pharmaceutical Design Institute Company Limited and Xinhua Pharmaceutical (Shouguang) Company Limited.

Mr. Zhao Songguo, aged 48, is a senior accountant. He graduated from Shandong Television and Broadcasting University, specialising in enterprise management, in 1986. He also completed a refresher course in Qingdao Ocean University in 2004. Mr. Zhao joined the Shandong Xinhua Pharmaceutical Factory in 1980 and previously held the positions of the head and the director of the finance department and the assistant to the general manager of the Company. Mr. Zhao is the director, and the deputy general manager and the financial controller of the Company, the director of Zibo Xinhua-Eastwest Pharmaceutical Company Limited, the director of Shandong Xinhua Pharmaceutical Export & Import Company Limited, the director of Shandong Xinhua Medical Trade Company Limited, the director of Zibo Xinhua Drug Store Chain Company Limited, the director of Shandong Xinhua Pharmaceutical (Europe) GmbH and the director of Xinhua Pharmaceutical (Shouguang) Company Limited.

Mr. Xu lie, aged 46, is a senior economist and is a university graduate. He joined Shandong Xinhua Pharmaceutical Factory in 1986 and has been the deputy director and the director of the office, the deputy head of the office, and the manager of the human resource department. Mr. Xu is currently a director and the chairman of the labour union of the Company, and a director and the chairman of the labour union of SXPGC.

Mr. Zhao Bin, aged 52, graduated from Zhongnan University of Economics and Law with EMBA. He joined the People's Liberation Army in 1976, previously held the positions of soldier, the ex-officio of deputy company, the ex-officio of company, the ex-officio of deputy battalion, deputy director and director of the political department of Jinan Military Region and Shandong Province Military Region. Mr. Zhao has worked in enterprises since 1998. He previously held the positions of investment manager and office general manager of Shandong Hualu Group Company Limited, deputy general manager of Shandong Hualu International Business Center Company Limited and general manager of the development planning department of Hualu Holdings Group Company Limited. Mr. Zhao is the assistant to the general manager and general manager of the development planning department of Hualu Holdings Group Company Limited. Mr. Zhao is a director of the Company.

董事、監事、高級管理人員和員工情況(續)

Directors, Supervisors, Senior Officers and Staff (continued)

董事、監事及其他高級管理人員簡介(續)

董事(續)

朱寶泉先生，65歲，研究員，博士生導師，一九九三年九月至二零零二年一月任上海醫藥工業研究院副院長，二零零二年二月至二零零八年六月任上海醫藥工業研究院院長，二零零八年七月至今任上海醫藥工業研究院顧問、學術委主任。朱先生現任本公司獨立非執行董事。

白慧良先生，68歲，畢業於北京工業大學有機合成專業，高級工程師，特邀教授。歷任瀋陽東北制藥總廠技術員、國家醫藥管理局技術幹部處副處長、人事司副司長、政策法規司副司長、司長、辦公室主任、國家食品藥品監督管理局藥品安全監管司司長。白先生現任中國非處方藥物協會會長，中國醫藥企業管理協會副會長，兼任上海醫藥集團股份有限公司、四環醫藥控股集團有限公司及甘肅獨一味生物製藥股份有限公司獨立非執行董事。白先生於2011年12月22日召開的本公司臨時股東大會被選舉為本公司獨立非執行董事。

鄭志傑先生，44歲，為英國特許公認會計師之資深會員及香港會計師公會會員，持有澳洲科廷科技大學商學學士學位。現就職一家於新加坡證券交易所上市的宏威科技有限公司的財務總監，兼任本公司獨立非執行董事、結好控股有限公司獨立非執行董事及鞍鋼股份有限公司獨立非執行董事。鄭先生於商業、製造業及公共會計之審計、會計及財務管理方面積逾十九年經驗。

孫明高先生任期至2011年12月22日屆滿六年，不再擔任本公司獨立非執行董事。

Brief Introduction of Directors, Supervisors and Senior Officers (continued)

Directors (continued)

Mr. Zhu Baoquan, aged 65, is a researcher and a tutor of students in a doctorate class. He was the vice president of Shanghai Pharmaceutical Industry Research Institute from September 1993 to January 2002, and he was the president of Shanghai Pharmaceutical Industry Research Institute from February 2002 to June 2008. Since July 2008, Mr. Zhu has been an adviser and the Academic Committee Dean of Shanghai Pharmaceutical Industry Research Institute. Mr. Zhu is currently an independent non-executive director of the Company.

Mr. Bai Huiliang, aged 68, graduated from Beijing University of Technology, specialising in organic synthesis, is a senior engineer and a visiting professor. He was previously a technician of Shenyang Dongbei Pharmaceutical Factory, the deputy director of the office of technical personnel, deputy director of the department of personnel, deputy director and director of the department of policy and regulations and director of the general office of State Drug Administration, the director of department of safety supervision of State Food and Drug Administration. Mr. Bai is currently the president of the China Nonprescription Medicines Association and the vice president of the China Pharmaceutical Enterprises Association. Mr. Bai is also an independent non-executive director of Shanghai Pharmaceuticals Holding Company Limited, Sihuan Pharmaceutical Holdings Group Limited and Gansu Duyiwei Biological Pharmaceutical Company Limited. Mr. Bai was elected as an independent non-executive director of the Company on 22 December 2011.

Mr. Kwong Chi Kit, Victor, aged 44, is a fellow member of the Association of Chartered Certified Accountants (United Kingdom) and an associate member of the Hong Kong Institute of Certified Public Accountants. He has a bachelor's degree in commerce from Curtin University of Technology, Australia. He is currently a financial controller of Anwell Technologies Limited, a company whose shares are listed on the Singapore Exchange Limited, an independent non-executive director of the Company, an independent non-executive director of Get Nice Holdings Limited and an independent non-executive director of Angang Steel Company Limited. Mr. Kwong has more than 19 years' experience covering auditing, accounting and financial management in commercial, manufacturing and public accounting sectors.

Mr. Sun Minggao ceased to be an independent non-executive Director of the Company, due to expiry of a 6-year term of office on 22 December 2011.

董事、監事及其他高級管理人員簡介(續)

監事

李天忠先生，49歲，高級工程師，一九八三年畢業於山東工學院工業自動化專業，同年到山東新華製藥廠工作，歷任電氣車間工程師、車間主任、本公司貿易部經理、供銷處處長、醫藥部經理、本公司董事，新華魯抗藥業集團有限責任公司總經理助理、董事、副總經理，山東新華醫藥集團有限責任公司董事、副總經理。李先生現為本公司監事會主席，兼任山東新華醫藥集團有限責任公司副總經理。

張月順先生，62歲，高級會計師、中國註冊會計師、中國註冊評估師，歷任企業財務負責人、財政部駐淄博地區中央企業管理處副處長、淄博市國有資產管理局副局長、山東淄博會計師事務所主任會計師。現任山東普華會計師事務所有限公司高級顧問。本公司獨立監事。

陶志超先生，42歲，畢業於華東政法學院法律系，獲法學學士學位，並取得山東大學法律碩士專業學位。現為山東致公律師事務所合夥人，山東淄博市人民政府法律顧問。本公司獨立監事。

扈豔華女士，37歲，畢業於山東大學，研究生學歷。一九九六年到本公司工作。歷任新華魯抗藥業集團有限責任公司團委副書記，現任本公司團委書記、政工部副部長、工會辦主任。2011年7月18日獲本公司職工代表大會選舉為本公司職工監事。

劉強先生因工作變動自2011年7月18日起不再擔任本公司職工監事。

其他高級管理人員簡介

竇學傑先生，52歲，高級工程師，畢業於山東醫學院藥學專業，山東大學藥物化學碩士。1982年到山東新華製藥廠工作，歷任質監處科長、副處長、處長，質量技術保證部經理，本公司副總工程師兼質量技術保證部經理，質量總監。現任本公司副總經理。

Brief Introduction of Directors, Supervisors and Senior Officers (continued)

Supervisors

Mr. Li Tianzhong, aged 49, is a senior engineer. He graduated from the Shandong Institute of Technology, specialising in industry automation. He joined Shandong Xinhua Pharmaceutical Factory in 1983. Mr. Li has been the engineer and director of the electric motor workshop, manager of the trade department, supply and marketing department and drug department of the Company, director of the Company, assistant to the general manager, director and deputy general manager of Xinhua Lukang Pharmaceutical Group Corporation, director and deputy general manager of Shandong Xinhua Pharmaceutical Group Company Limited. Mr. Li is currently the chairman of the supervisory committee of the Company and a deputy general manager of SXPGC.

Mr. Zhang Yueshun, aged 62, is a senior accountant, a certified public accountant and a certified public assessor of the PRC. Mr. Zhang was the controller of an enterprise, the deputy chief of Zibo Office affiliated to the Enterprise Department of the Ministry of Finance of the PRC, the vice director of the Zibo Municipal State-owned Assets Administration and the chief accountant of Shandong Zibo Accountant Firm. Mr. Zhang is currently a senior consultant of Zibo Puhua Accountant Firm and an independent supervisor of the Company.

Mr. Tao Zhichao, aged 42, graduated from East China University of Politics and Laws and obtained a bachelor's degree in law. Mr. Tao was also awarded a master's degree in law from Shandong University. Mr. Tao is a partner of Shandong Zhigong Associates, the legal consultant for the People's Government of Zibo, Shandong and an independent supervisor of the Company.

Ms. Hu Yanhua, aged 37, graduated from Shandong University. She has also received a postgraduate education. She joined the Company in 1996. Ms. Hu was the deputy secretary of the Youth League Committee of Xinhua Lukang Pharmaceutical Group Corporation. Ms. Hu is currently the secretary of the Youth League Committee, the deputy secretary of the political affairs department and the head of the labor union office. Ms. Hu was appointed as employee supervisor of the Company by the employee's representatives meeting held on 18 July 2011.

Mr. Liu Qiang ceased to be employee supervisor of the Company with effect from 18 July 2011 due to a change of job.

Senior Officers

Mr. Dou Xuejie, aged 52, is a senior engineer. He graduated from Shandong Medicine College, specialising in pharmacy and obtained a master's degree in medicinal chemistry from Shandong University. He joined the Factory in 1982. He was previously deputy director and the director of the quality control department, the deputy chief engineer and quality director of the Company. Mr. Dou is currently deputy general manager of the Company.

董事、監事、高級管理人員和員工情況 (續)

Directors, Supervisors, Senior Officers and Staff (continued)

董事、監事及其他高級管理人員簡介 (續)

其他高級管理人員簡介 (續)

杜德清先生，47歲，高級工程師，畢業於青島科技大學有機化工專業，武漢理工大學工商管理及青島科技大學化學工程雙碩士。1986年到山東新華製藥廠工作，歷任調度處科長、副處長、處長，採購物控部經理，總經理助理。現任本公司副總經理。

賀同慶先生，42歲，高級經濟師，畢業於山東輕工業學院材料科學與工程專業。一九九一年到山東新華製藥廠工作，歷任車間技術員、計劃員，山東淄博新達製藥有限公司銷售部業務員、大區經理、新藥部經理、營銷總監，山東淄博新達製藥有限公司總經理。現任本公司副總經理。

曹長求先生，42歲，高級經濟師，畢業於中國海洋大學經濟管理專業，1991年到山東新華製藥廠工作，現任本公司董事會秘書。

郭磊女士，43歲，經濟師，畢業於廣州外貿學院會計專業，北京大學經濟學碩士。1992年到山東新華製藥廠工作，現任本公司董事會秘書、辦公室主任。

本公司現任董事、監事、高級管理人員任期由二零一一年十二月二十二日起，為期三年。

Brief Introduction of Directors, Supervisors and Senior Officers (continued)

Senior Officers (continued)

Mr. Du Deqing, aged 47, is a senior engineer. He graduated from Qingdao Science and Technology University, specialising in organic chemical engineering and obtained a master's degree in business administration from Wuhan University of Technology and obtained a master's degree in chemical engineering from Qingdao Science and Technology University. He joined the Shandong Xinhua Pharmaceutical Factory in 1986. He was previously deputy director and director of the dispatch department, the director of the purchasing department and assistant to the general manager of the Company. Mr. Du is currently deputy general manager of the Company.

Mr. He Tongqing, aged 42, is a senior economist. He graduated from the Shandong Polytechnic University, specialising in materials science and engineering. Mr. He joined Shandong Xinhua Pharmaceutical Factory in 1991. His previous positions included, workshop technician, planner, sales officer, regional manager, manager of the drug department, marketing director and the general manager of Shandong Zibo XinCat Pharmaceutical Company Limited. Mr. He is currently a deputy general manager of the Company.

Mr. Cao Changqiu, aged 42, is a senior economist. He graduated from Ocean University of China, specialising in economic management and joined the Shandong Xinhua Pharmaceutical Factory in 1991. Mr. Cao is one of the company secretaries for the Company.

Ms. Guo Lei, aged 43, is an economist. She graduated from Guangzhou Foreign Trade College, specialising in accounting and obtained a master's degree in economics from Beijing University. She joined the Shandong Xinhua Pharmaceutical Factory in 1992. Ms. Guo is one of the company secretaries and the director of office of the Company.

The Director, Supervisors and Senior Officers of the Company were appointed for a term of 3 years commencing from 22 December 2011.

董事、監事、高級管理人員和員工情況(續)

Directors, Supervisors, Senior Officers and Staff (continued)

董事、監事及其他高級管理人員 持有本公司股份情況

Directors' and Supervisors' and Senior Officers' Interests in Shares of the Company

姓名 Name	職務 Duty	於2011年12月31日	於2011年1月1日
		As at 31 December 2011	As at 1 January 2011
		股數 Number of shares	股數 Number of shares
董事			
Directors			
張代銘 Mr. Zhang Daiming	董事長 Chairman	未持有 Nil	未持有 Nil
任福龍 Mr. Ren Fulong	非執行董事 Non-executive director	未持有 Nil	未持有 Nil
杜德平 Mr. Du Deping	執行董事、總經理 Executive director, general manager	未持有 Nil	未持有 Nil
趙松國 Mr. Zhao Songguo	執行董事、副總經理、財務負責人 Executive director, deputy general manager, financial controller	未持有 Nil	未持有 Nil
徐列 Mr. Xu Lie	非執行董事 Non-executive director	未持有 Nil	未持有 Nil
趙斌 Mr. Zhao Bin	非執行董事 Non-executive director	未持有 Nil	未持有 Nil
朱寶泉 Mr. Zhu Baoquan	獨立非執行董事 Independent Non-executive director	未持有 Nil	未持有 Nil
白慧良 Mr. Bai HuiLiang	獨立非執行董事 (2011年12月22日選舉產生) Independent Non-executive director (appointed on 22 December 2011)	未持有 Nil	未持有 Nil
孫明高 Mr. Sun Minggao	獨立非執行董事(2011年12月22日換屆， 不再擔任本公司獨立非執行董事) Independent Non-executive director (ceased to be an independent Non-executive director of the Company with effect from 22 December 2011)	未持有 Nil	未持有 Nil
鄭志傑 Mr. Kwong Chi Kit, Victor	獨立非執行董事 Independent Non-executive director	未持有 Nil	未持有 Nil

董事、監事、高級管理人員和員工情況(續)

Directors, Supervisors, Senior Officers and Staff (continued)

董事、監事及其他高級管理人員 持有本公司股份情況(續)

Directors' and Supervisors' and Senior Officers' Interests in Shares of the Company (continued)

姓名 Name	職務 Duty	於2011年12月31日	於2011年1月1日
		As at 31 December 2011	As at 1 January 2011
		股數 Number of shares	股數 Number of shares
監事			
Supervisors			
李天忠 Mr. Li Tianzhong	監事會主席 Chairman of the Supervisory Committee	未持有 Nil	未持有 Nil
劉強 Mr. Liu Qiang	監事(2011年7月18日不再擔任本公司 職工監事) Supervisor (ceased to be an employee supervisor of the Company with effect from 18 July 2011)	4,370	4,370
張月順 Mr. Zhang Yueshun	獨立監事 Independent supervisor	未持有 Nil	未持有 Nil
陶志超 Mr. Tao Zhichao	獨立監事 Independent supervisor	未持有 Nil	未持有 Nil
扈豔華 Ms. Hu Yanhua	監事(2011年7月18日擔任本公司職工監事) Supervisor (has been appointed as employee supervisor of the Company with effect from 18 July 2011)	未持有 Nil	未持有 Nil
其他高級管理人員			
Senior Officers			
竇學傑 Mr. Dou Xuejie	副總經理 Deputy general manager	未持有 Nil	未持有 Nil
杜德清 Mr. Du Deqing	副總經理 Deputy general manager	未持有 Nil	未持有 Nil
賀同慶 Mr. He Tongqing	副總經理 Deputy general manager	未持有 Nil	未持有 Nil
曹長求 Mr. Cao Changqiu	董事會秘書 Company secretary	1,281	1,281
郭磊 Ms. Guo Lei	董事會秘書 Company secretary	未持有 Nil	未持有 Nil
合計 Total		5,651	5,651

董事、監事及其他高級管理人員持有本公司股份情況(續)

本公司董事、監事及高級管理人員所持有本公司股份均為A股。

除上文所披露外，就公司之董事、高級管理人員及監事所知悉，於二零一一年十二月三十一日，沒有本公司之董事、高級管理人員及監事在本公司及其／或任何相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及／或債券證(視情況而定)中擁有任何需根據《證券及期貨條例》第XV部第7和第8部份需知會本公司及香港聯交所的權益或淡倉(包括根據《證券及期貨條例》該些章節的規定或當作這些董事、高級管理人員及監事擁有的權益或淡倉)，或根據《證券及期貨條例》第352條規定而記錄於本公司保存的登記冊的權益或淡倉，或根據上市規則附錄十中的「上市公司董事進行證券交易的標準規則」須知會本公司及香港聯交所的權益或淡倉。

董事、監事和其他高級管理人員酬金

本公司主要依據國家政策、公司經濟效益情況和個人工作業績，並參考社會報酬水平，確定董事、監事及其他高級管理人員薪酬。本年度內薪酬與考核委員會審議通過了《關於二零一一年度董事、監事酬金的議案》、《關於二零一一年度高級管理人員酬金的議案》，並建議提交董事會審議。董事、監事的報酬由董事會提交股東大會審議通過，高級管理人員的報酬由董事會審議通過。

Directors' and Supervisors' and Senior Officers' Interests in Shares of the Company (continued)

All shares held by the Director, Supervisors and Senior Officers are A Shares.

Save as disclosed above, so far as the Directors, the Senior Officers and the Supervisors of the Company are aware, as at 31 December 2011, none of the Directors, the Senior Officers or the Supervisors of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")) which required notification to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such Director, Senior Officer or Supervisor is taken or deemed to have under such provisions of the SFO) of which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required notification to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

Remuneration of Directors, Supervisors and Senior Officers

The remuneration policy of the Directors, the Supervisors and the Senior Officers is based on (i) State policies, (ii) the Company's profit realised in the corresponding period, (iii) individual achievement and (iv) the average income of local residents determined in accordance with State policies. During the year, the remuneration and examination committee of the Company has passed the Proposal of 2011 Annual Remuneration of Directors and Supervisors and The Proposal of 2011 Annual Remuneration of Senior Officers, and submitted the above proposals to the Board of Directors for approval. The Directors' and the Supervisors' remuneration must be approved in a shareholders' meeting of the Company, whereas the remuneration of the Senior Officers must be approved by the Board of Directors.

董事、監事、高級管理人員和員工情況(續)

Directors, Supervisors, Senior Officers and Staff (continued)

董事、監事和其他高級管理人員 酬金(續)

董事、監事和其他高級管理人員酬金(包含
退休保險金, 稅前)

Remuneration of Directors, Supervisors and Senior Officers (continued)

Remuneration of Directors, Supervisors and Senior Officers
(including retirement insurance, before tax)

2011年度

2011

人民幣萬元

RMB0'000

		2011年度 2011 人民幣萬元 RMB0'000
董事	Directors	
張代銘	Mr. Zhang Daiming	27.97
任福龍	Mr. Ren Fulong	31.17
杜德平	Mr. Du Deping	30.17
趙松國	Mr. Zhao Songguo	18.57
徐 列	Mr. Xu Lie	24.97
趙 斌	Mr. Zhao Bin	—
朱寶泉	Mr. Zhu Baoquan	7.00
孫明高(2011年12月22日離任)	Mr. Sun Minggao (ceased to be an independent non-executive member on 22 December 2011)	7.00
鄭志傑	Mr. Kwong Chi Kit, Victor	7.00
白慧良(2011年12月22日獲委任)	Mr. Bai Huiliang (appointed on 22 December 2011)	—
監事	Supervisors	
李天忠	Mr. Li Tianzhong	19.97
扈豔華(2011年7月18日獲委任)	Ms. Hu Yanhua (appointed on 18 July 2011)	5.73
張月順	Mr. Zhang Yueshun	3.00
陶志超	Mr. Tao Zhichao	3.00
劉 強(2011年7月18日離任)	Mr. Liu Qiang (ceased to be an employee supervisor of the Company with effect from 18 July 2011)	6.68
其他高級管理人員	Senior Officers	
竇學傑	Mr. Dou Xuejie	26.97
杜德清	Mr. Du Deqing	24.97
賀同慶	Mr. He Tongqing	17.17
曹長求	Mr. Cao Changqiu	9.77
郭 磊	Ms. Guo Lei	9.67

二零一一年度董事、監事和高級管理人員的年度報酬總額為人民幣280.78萬元。

The aggregate remuneration of the Directors, Supervisors and Senior Officers for 2011 was approximately RMB2,807,800.

董事、監事及其他高級管理人員變動情況

2011年7月18日，劉強先生因工作變動，不再擔任本公司職工監事，本公司職工代表大會選舉扈豔華女士擔任本公司職工監事。

2011年12月22日本公司第六屆董事會屆滿，同日本公司臨時股東大會選舉張代銘先生、任福龍先生、杜德平先生、趙松國先生、徐列先生、趙斌先生、朱寶泉先生、白慧良先生及鄭志傑先生為第七屆董事會董事，其中朱寶泉先生、白慧良先生及鄭志傑先生為獨立非執行董事。同日董事會選舉張代銘先生為本公司董事長，聘任杜德平先生為本公司總經理，聘任趙松國先生為本公司副總經理兼財務負責人，聘任竇學傑先生、杜德清先生及賀同慶先生為本公司副總經理，聘任曹長求先生及郭磊女士為本公司董事會秘書。

2011年12月22日本公司第六屆監事會屆滿，同日本公司臨時股東大會選舉李天忠先生、張月順先生、陶志超先生為本公司監事會監事，其中張月順先生、陶志超先生為本公司獨立監事。同日監事會選舉李天忠先生為本公司監事會主席。

Change of Directors, Supervisors and Senior Officers

On 18 July 2011, Mr. Liu Qiang ceased to be the employee supervisor of the Supervisory Committee of the Company as a result of job change. Ms. Hu Yanhua has been appointed by the employee's representatives meeting as the employee supervisor of the Supervisory Committee.

The term of the sixth session of the Board of the Company expired on 22 December 2011 and Mr. Zhang Daiming, Mr. Ren Fulong, Mr. Du Deping, Mr. Zhao Songguo, Mr. Xu Lie, Mr. Zhao Bin, Mr. Zhu Baoquan, Mr. Bai Huiliang and Mr. Kwong Chi Kit, Victor have been elected as members of the seventh session of the Board at the extraordinary general meeting held on the same date. Among them, Mr. Zhu Baoquan, Mr. Bai Huiliang and Mr. Kwong Chi Kit, Victor are independent non-executive Directors. On the same day, the Board elected Mr. Zhang Daiming as the Chairman of the Company, appointed Mr. Du Deping, and Mr. Zhao Songguo as the General Manager, and Deputy General Manager & Chief Financial Officer of the Company, and appointed Mr. Dou Xuejie, Mr. Du Deqing and Mr. He Tongqing as Deputy General Managers of the Company, and appointed Mr. Cao Changqiu and Ms. Guo Lei as the Secretary to the Board.

The term of the sixth session of the Supervisory Committee of the Company expired on 22 December 2011 and Mr. Li Tianzhong, Mr. Zhang Yueshun and Mr. Tao Zhichao have been elected as the Supervisors at the extraordinary general meeting held on the same date. Among them, Mr. Zhang Yueshun and Mr. Tao Zhichao are independent Supervisors of the Company. On the same day, the Supervisory Committee elected Mr. Li Tianzhong as the Chairman of the Supervisory Committee of the Company.

董事、監事、高級管理人員和員工情況(續)

Directors, Supervisors, Senior Officers and Staff (continued)

員工及其薪金

本集團主要依據國家政策、公司經濟效益情況，並參考社會報酬水平，確定員工薪酬。

截至二零一一年十二月三十一日止本集團員工為6,014人，該年度集團全體員工工資總額為人民幣185,633千元。

本集團員工按職能及教育程度劃分如下：

Staff and Remuneration

The Group's staff remuneration was determined in accordance with (i) State policies, (ii) the Company's profit in the corresponding period and (iii) the average income of local residents.

As at 31 December 2011, the number of staff employed by the Group was 6,014, and the total amount of their salaries and wages for the year 2011 was approximately RMB185,633,000.

The Group's staff can be categorised by their area of work and educational level as follows:

員工職能	Area of Work	員工人數 Number of Employees
生產人員	Staff in production	3,931
工程技術人員	Staff in engineering and technology	112
行政管理人員	Staff in administration	284
財務人員	Staff in finance	78
產品開發人員	Staff in research and development	157
採購人員	Staff in procurement of raw materials	38
銷售人員	Staff in sales	1,087
質量監督檢測人員	Staff in quality control and inspection	327
合計	Total	<u>6,014</u>

員工教育程度	Academic Qualification Attained	員工人數 Number of Employees
大學及以上學歷	University or above	728
大專學歷	Tertiary Institutions	1,363
中專學歷	Intermediate Institutions	1,335
高中及技校學歷	Senior high schools and technical schools	1,879
初中及以下學歷	Junior high schools or below	709
合計	Total	<u>6,014</u>

截至二零一一年十二月三十一日止本集團退休職工人數為2,387人。

As at 31 December 2011, the number of retired staff of the Group was 2,387.

(一) 根據中國證監會要求披露資料

規範性自查

對照中國有關上市公司治理的規範性文件，本公司基本符合有關要求。

獨立非執行董事履行職責情況

在本年度內，本公司董事會共召開6次會議，各獨立非執行董事出席會議情況如下：

獨立非執行 董事姓名 Name	應參加次數 The number of participants	親自出席/ 書面表決 Personally attended/ written resolution	委託出席 Commissioned to attend	缺席 Absent	備註 Remarks
朱寶泉 Mr. Zhu Baoquan	6	6	0	0	
白慧良 Mr. Bai HuiLiang	2	2	0	0	
鄭志傑 Mr. Kwong Chi Kit, Victor	6	6	0	0	
孫明高 Mr. Sun Minggao	4	4	0	0	

在本年度內，本公司董事會審核委員會共召開4次會議，各獨立非執行董事出席會議情況如下：

獨立非執行 董事姓名 Name	應參加次數 The number of participants	親自出席 Personally attended	委託出席 Commissioned to attend	缺席 Absent	備註 Remarks
朱寶泉 Mr. Zhu Baoquan	4	4	0	0	
白慧良 Mr. Bai HuiLiang	0	0	0	0	
鄭志傑 Mr. Kwong Chi Kit, Victor	4	4	0	0	
孫明高 Mr. Sun Minggao	4	4	0	0	

在本年度內，本公司董事會薪酬與考核委員會共召開1次會議，擔任薪酬與考核委員會成員的朱寶泉、孫明高均出席會議。

1. Information disclosed under the requirement of CSRC

Self-examination for standardisation

The corporate governance practice implemented by the Company has been in compliance with the relevant rules and requirements for listed companies in the PRC.

How independent non-executive directors performed their duties

During the year, the Board convened six Board meetings. The independent non-executive directors' attendance at the six meetings are set out below:

親自出席/
書面表決
Personally
attended/
written
resolution

委託出席
Commissioned
to attend

缺席
Absent

During the year, the Audit Committee convened four meetings. The independent non-executive directors' attendance at the four meetings are set out below:

親自出席
Personally
attended

委託出席
Commissioned
to attend

缺席
Absent

During the year, the Remuneration and Examination Committee of the Company convened one meeting. Mr. Zhu Baoquan and Mr. Sun Minggao attended the meeting.

(一) 根據中國證監會要求披露資料(續)

獨立非執行董事履行職責情況(續)

在本年度內，本公司董事會提名委員會共召開1次會議，擔任提名委員會成員的朱寶泉、孫明高均出席會議。

在本年度內，獨立非執行董事均未對公司有關事宜提出異議。

審核委員會審核2011年度報告情況

- (1) 董事會審核委員會就公司財務資產部出具的2011年度財務會計報表發表的書面意見：

公司財務會計報表依照公司會計政策編制，會計政策運用恰當，會計估計合理，符合新企業會計準則、企業會計制度及財政部發佈的有關規定的要求；公司財務報表納入合併範圍的單位報表內容完整，報表合併基礎準確；公司財務報表客觀、真實、準確，未發現有重大錯報、漏報情況。

審核委員會認為該財務會計報表可以提交年審註冊會計師進行審核。

- (2) 審核委員會在信永中和會計師事務所有限公司就公司2011年度財務報表出具了初步審核意見後，審核委員會再次審閱了公司2011年度財務會計報表，現發表意見如下：

公司按照新企業會計準則及公司有關財務制度的規定，財務報表編制流程合理規範，公允地反映了截止2011年12月31日公司資產、負債、股東權益和經營成果，內容真實、準確、完整。

1. Information disclosed under the requirement of CSRC (continued)

How independent non-executive directors performed their duties (continued)

During the year, the Nomination Committee of the Company convened one meeting. Mr. Zhu Baoquan and Mr. Sun Minggao attended the meeting.

During the year, the independent non-executive directors did not have any disputes on the matters raised by the Company.

Auditing of the 2011 annual report by the Audit Committee

- (1) The Audit Committee of the Board of Directors issued a written opinion in respect of the financial and accounting statements issued by the financial department of the Company in 2011:

The financial and accounting statement of the Company was prepared with reference to the accounting policy of the Company. The application of the accounting policy is appropriate and the accounting estimates are reasonable and in compliance with the new accounting standards for business enterprises, the Accounting Regulations for Business Enterprises as well as the regulations promulgated by the Ministry of Finance. The information of each financial statement consolidated in the financial statements of the Company is complete and the basis of consolidation of the statements is accurate. The Company's financial statements are objective, truthful and accurate, without any material misrepresentations or omissions.

The Audit Committee considered that the financial statements can be submitted to the certified accountants engaged for annual auditing.

- (2) The Audit Committee reviewed the financial and accounting statements for year 2011 of the Company again after the issue of a preliminary audit opinion by SHINEWING (HK) CPA Limited in respect of the financial statements for year 2011 of the Company, and expressed their opinion as follows:

The Company was in compliance with the new accounting standards for business enterprises and regulations in relation to the financial system of the Company. The preparation process of the financial statements was reasonable and standardised and fairly reflected the assets, liabilities, shareholders' equity and operating results as at 31 December 2011. The information therein is truthful, accurate and complete.

(一) 根據中國證監會要求披露資料(續)

審核委員會審核2011年度報告情況(續)

審核委員會認為，經信永中和會計師事務所有限公司初步審定的公司2011年度財務會計報表可以提交董事會審議表決。

- (3) 關於信永中和會計師事務所有限公司從事公司2011年度財務報告審核工作的總結報告。

2012年1月5日，董事會審核委員會同意公司與信永中和會計師事務所有限公司協商確定的公司2011年度財務報告審核工作總體計劃。

信永中和會計師事務所有限公司為公司出具了標準無保留意見結論的審核報告。我們認為，信永中和會計師事務所有限公司已按照中國註冊會計師獨立審核準則的規定執行了審核工作，審核時間充分，審核人員配置合理，具備相應的執業能力，經審核後的財務報表能充分反映公司2011年12月31日的財務狀況以及2011年度的經營成果和現金流量情況，出具的審核結論符合公司的實際情況。

- (4) 2012年3月22日召開董事會審核委員會會議，審閱2011年年度經審計帳目及業績公告；建議續聘2012年度財務審計機構，期限一年。

1. Information disclosed under the requirement of CSRC (continued)

Auditing of the 2011 annual report by the Audit Committee (continued)

The Audit Committee considered that the financial statements for the year 2011 of the Company which were preliminarily audited by SHINEWING (HK) CPA Limited can be submitted for consideration and approval by the Board of Directors.

- (3) Conclusive report of SHINEWING (HK) CPA Limited in respect of the auditing of the financial report of the Company for 2011.

On 5 January 2012, the Audit Committee of the Board of Directors approved the overall auditing plan for the financial report of 2011 of the Company which was negotiated and confirmed by the Company and SHINEWING (HK) CPA Limited.

SHINEWING (HK) CPA Limited was of the opinion that the Company issued a standard auditing report without any reserved opinions or conclusions. The Company considered that SHINEWING (HK) CPA Limited had audited in accordance with the regulations under "Independent auditing code of certified accountants of the PRC. There was ample time for auditing and reasonable allocation of auditing staff who had attained the corresponding qualification. The audited financial statements fully reflected the financial condition of the Company as at 31 December 2011 and the operating results and cash flow of the Company in 2011. The conclusion upon auditing was in line with the actual circumstances of the Company.

- (4) In 22 March 2012, the Audit Committee of the board of directors convened a meeting to review the audited accounts and results announcement of 2011 and recommended to re-appoint the financial auditing institution for the year 2012 with a term of one year.

(一) 根據中國證監會要求披露資料(續)

五分開情況

本公司在業務、資產、人員、機構、財務等方面與控股股東分開，本公司具有獨立完整的生產經營能力。

- (1) 在業務方面，本公司主要從事開發、製造及銷售化學原料藥、製劑以及化工產品，新華醫藥集團公司已向本公司承諾，在新華醫藥集團公司對本公司有指定程度控制權的期間，將不會從事任何與本公司有直接或間接競爭的業務。
- (2) 在資產方面，本公司擁有獨立的生產系統、輔助生產系統和配套設施；除「新華牌」商標由控股股東擁有，本公司獨佔使用外，其他工業產權、非專利技術等無形資產由本公司擁有；本公司獨立擁有採購和銷售系統。
- (3) 在人員方面，本公司在勞動、人事及工資管理等方面獨立；總經理、副總經理等高級管理人員均在上市公司領取薪酬，總經理、副總經理均不在股東單位擔任職務。
- (4) 在機構方面，本公司設有股東大會、董事會、監事會、董事會秘書和經營管理層，各機構有明確的職責分工，辦公機構和生產經營場所與控股股東分開。
- (5) 在財務方面，本公司設立獨立的財會部門，並建立了獨立的會計核算體系和財務管理制度；獨立在銀行開戶。

1. Information disclosed under the requirement of CSRC (continued)

Status of Independence

The Company is independent of its controlling shareholder in respect of its business, assets, management, institutions and finance. The Company's production and operation are also independent.

- (i) The Company is mainly engaged in the business of development, manufacture and sale of bulk pharmaceuticals, preparations and chemical products. SXPGC undertook that for so long as SXPGC is regarded as a controlling shareholder of the Company, it would not engage in any business directly or indirectly in competition with the business of the Company.
- (ii) The Company has its own independent production and supplementary production system and facilities. Apart from certain patent technologies and the trademark "Xinhua", which are owned by the controlling shareholder, the Company owns all of the other intangible assets such as industrial property rights and know-how technologies used by the Company. The Company also has an independent procurement and sales network.
- (iii) The Company is independent of its controlling shareholder in respect of the management of its workforce and their salaries. The Senior Officers of the Company including the general manager and the deputy general managers are paid by the Company. All the general manager and deputy general managers do not hold any position in the controlling shareholder of the Company.
- (iv) The Company holds its own shareholders' general meetings, and has its own board of directors, supervisory committee, company secretaries and management, which are responsible for the different areas and functions of the Company. The office and the production area of the Company are separate from that of its controlling shareholder.
- (v) The Company has an independent finance department with an independent accounting and financial management system. The Company also maintains its own independent accounts with banks.

(一) 根據中國證監會要求披露資料(續)

公司治理情況

公司嚴格按照《公司法》、《證券法》、《上市公司治理準則》、《上市公司股東大會規則》、《股票上市規則》等法律法規及有關文件要求，建立了較為完善的法人治理結構，規範公司運作。《公司章程》對公司股東大會職責規定清晰，議事規則明確，並能得到有效切實執行。公司董事會、監事會職責清晰，有明確議事規則並能得到有效執行，全體董事、監事忠實履行職責。公司經理層根據《公司章程》及《總經理工作條例》的規定負責公司生產經營工作，組織實施董事會決議，並向董事會匯報，接受監事會監督。

公司建立了《對外擔保管理制度》、《子公司管理規定》、《關聯交易管理制度》、《募集資金管理制度》、《獨立董事工作制度》及《投資者關係管理制度》等，制定了公司董事會轄下的提名委員會、審核委員會、薪酬與考核委員會、戰略與發展委員會的工作細則，促使公司的法人治理制度化、規範化。

1. Information disclosed under the requirement of CSRC (continued)

Corporate Governance

The Company strictly complied with various laws and regulations such as the “Company Law”, “Securities Law”, “Standard of corporate governance for PRC listed companies”, “rules of shareholders’ meeting of listed companies” and “Securities Listing Rules” as well as the requirements of relevant documents to establish a better corporate governance structure and to standardise the operation of the Company. The Articles of Association clearly define the functions of the shareholders’ general meetings of the Company with clear rules and procedures that are effectively implemented. There is a clear division between the duties of the Board of Directors and the Supervisory Committee of the Company, with clear rules and procedures that can be effectively implemented. All members of the Board of Directors and supervisors diligently perform their duties. The management of the Company is responsible for the production and operation of the Company, the organisation and implementation of resolutions of the Board of Directors, and reports to the Board of Directors and is supervised by the Supervisory Committee pursuant to the regulations of the Articles of Association and Rules for the General Manager.

The Company has established the “Management Guidelines for the Provision of Guarantee to External Parties”, “Management Guidelines for Subsidiaries”, “Management Guidelines for Connected Transactions”, “Management Guidelines for Raised Proceeds”, “Working System of Independent Directors” and “Management Guidelines for Investor Relations”. The Company has formulated the code of work for the Nomination Committee, the Audit Committee, the Remuneration Committee and Strategic and Development Committee under the Board of Directors of the Company, which procured the systematisation and standardisation of corporate governance of the Company.

(一) 根據中國證監會要求披露資料(續)

公司治理情況(續)

本公司與控股公司及其附屬公司發生持續性關聯交易的關聯方共2家，分別是山東新華萬博化工有限公司和山東淄博新達制藥有限公司，交易內容為本公司向其採購化工原料、向其銷售水電氣及副產品，均按市場價格定價，交易價格公允，不存在損害中小股東利益的情形，且履行了本公司內部的關聯交易審批程序和所需的公告程序。

本公司與控股公司及其附屬公司間不存在實質性同業競爭情形。

報告期內對高級管理人員的考評及激勵機製、相關獎勵機制的建立、實施情況

對於高級管理人員的選擇，本公司按照唯才是舉、德才兼備的原則，一般從公司內部進行選拔，通過考察被選擇人員的思想道德品質、組織協調能力、工作能力和責任心等方面的素質，並經過嚴格的篩選程序，最終由董事會進行聘用。在聘用期間，董事會定期對高級管理人員進行多方面的考核，主要是考核工作績效和貫徹執行董事會決議等方面的情況。

通過對每位高級管理人員的職務分析，明確規定他們的工作性質，職責範圍以及相應的獎懲制度，建立起了激勵和約束機制。

1. Information disclosed under the requirement of CSRC (continued)

Corporate Governance (continued)

The Company had continuing connected transactions with two related parties involving its holding company and its fellow subsidiaries, namely Shandong Xinhua Wanbo Chemical & Industrial Company Limited and Shandong Zibo XinCat Pharmaceutical Company Limited. Through the transactions, the Company purchased chemical raw materials and sold water, electricity, gas and by-products. The transactions were priced fairly with reference to prevailing market practices, without prejudice to the interests of minority shareholders, and in compliance with the approval procedures and required announcement procedures for internal connected transactions of the Company.

No substantial business competition existed between the Company and its holding company and its fellow subsidiaries.

The establishment and implementation of assessment and appraisal mechanisms as well as the incentive mechanisms for Senior Officers

The Company selects its Senior Officers from its staff on the basis of talent and ability. Prior to selecting and appointing the Senior Officers, the Board of Directors follows a strict set of selection criteria, which include the assessment of each candidate's character, moral standard, coordination ability, working ability and sense of responsibility. Once appointed, the Board of Directors will evaluate the Senior Officers regularly, particularly in respect of achievements and their execution of resolutions passed by the Board of Directors.

By analysing the duties of each of the Senior Officers, the Company clearly sets out their job nature and scope of responsibilities and has established a corresponding incentive and penalty scheme to reward and sanction Senior Officers.

(一) 根據中國證監會要求披露資料(續)

內部控制制度執行的效果

通過制定和有效實施內控制度，本公司經營規模逐年擴大，銷售額逐年增長，呈現較好的發展態勢，管理水平進一步提高，實現了質量和效益的統一。通過加強內控，保證了公司產品的質量，也促進了技術創新，有力地提升了公司的綜合競爭力，為公司的長遠發展奠定堅實的基礎。

本公司管理層認為，公司按照有關法律法規和有關部門的要求，建立健全了完整的、合理的內部控制制度，總體上保證了公司生產經營活動的正常運作，在一定程度上降低了管理風險。

報告期內本公司全資子公司山東新華醫藥貿易有限公司對客戶授信額度過大導致較大經濟損失，公司未能按照《企業內部控制基本規範》和相關規定在所有重大方面保持有效的財務報告內部控制。

公司監事會對公司內部控制自我評價的意見

公司監事會審核後認為：報告期內本公司全資子公司山東新華醫藥貿易有限公司對客戶授信額度過大導致較大經濟損失，公司未能按照《企業內部控制基本規範》和相關規定在所有重大方面保持有效的財務報告內部控制。

1. Information disclosed under the requirement of CSRC (continued)

Effect of execution of internal control system

Through formulation and effective implementation of the internal control system, the Company's scale of operation has gradually been expanded, followed by consecutive annual increases in sales volume, representing a sound development trend. The Company's management level has been raised and its internal control system has been improved. Therefore, the quality of the Company's products has been improved. In addition, the technology of the Company has been innovated and the competitiveness of the Company has been increased. As a result, the Company has a strong foundation for its future development.

The management of the Company considers that the Company has established and refined a comprehensive and reasonable internal control system with reference to laws and regulations as well as the requirements of relevant departments. Overall, the normal operation of the Company's production has been guaranteed which, to a certain extent, has mitigated the management risk.

During the reporting period, Shandong Xinhua Pharmaceutical Trade Co., Ltd., a wholly-owned subsidiary of the Company, incurred relatively heavy economic losses due to large credit lines extended to its customers. The Company failed to maintain effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》) and other relevant provisions.

Self-evaluation of the Company's internal control by the Supervisory Committee of the Company

After auditing, the Company's Supervisory Committee considered that Shandong Xinhua Pharmaceutical Trade Co., Ltd., a wholly-owned subsidiary of the Company, incurred relatively heavy economic losses due to large credit lines extended to its customers. The Company failed to maintain effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》) and other relevant provisions.

(一) 根據中國證監會要求披露資料(續)

公司獨立董事對公司內部控制自我評價的意見

公司獨立董事朱寶泉、白慧良、鄭志杰審核後認為：報告期內本公司全資子公司山東新華醫藥貿易有限公司對客戶授信額度過大導致較大經濟損失，公司未能按照《企業內部控制基本規範》和相關規定在所有重大方面保持有效的財務報告內部控制。

內控存在重大缺陷及整改情況

報告期內存在一項重大內控缺陷，是本公司全資子公司山東新華醫藥貿易有限公司對客戶授信額度過大導致較大經濟損失。

上述重大缺陷使得公司對山東欣康祺醫藥有限公司(「欣康祺公司」)等五家公司形成大額應收款項6,073萬元，而因欣康祺公司經營出現異常，資金鏈斷裂，可能使公司遭受較大經濟損失。

針對報告期內發現的內部控制缺陷，公司通過建立完善相關制度，增大檢查力度等相應措施進行了整改：

對子公司控制方面，針對子公司內控制度中缺少多頭授信的規定及內控制度執行不嚴導致對客戶授信額度過大造成損失的問題，公司修訂印發了《山東新華製藥股份有限公司營銷信用風險管理辦法》，對多頭授信做出明確規定，並加大了監督檢查力度，以防形成新的因授信額度過大導致的信用風險。

1. Information disclosed under the requirement of CSRC (continued)

Self-evaluation of the Company's internal control by the independent directors of the Company

After auditing, Zhu Baoquan, Bai HuiLiang and Kwong Chi Kit, Victor, independent directors of the Company, considered that Shandong Xinhua Pharmaceutical Trade Co., Ltd., a wholly-owned subsidiary of the Company, incurred relatively heavy economic losses due to large credit lines extended to its customers. The Company failed to maintain effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》) and other relevant provisions.

Material Deficiencies and Rectifications Regarding Internal Control

During the reporting period, there was one material deficiency in internal control, involving large credit lines extended to customers by Shandong Xinhua Pharmaceutical Trade Co., Ltd., a wholly-owned subsidiary of the Company, which resulted in relatively heavy economic losses.

The aforesaid material deficiency resulted in a large amount of receivables of RMB60.73 million due to the Company from five companies including Shandong Xingkangqi Pharmaceutical Co., Ltd. ("Xingkangqi"), which may cause possible heavy economic losses to the Company due to operational difficulties and capital chain disruptions in Xingkangqi.

In response to the internal control deficiencies discovered during the reporting period, the Company made due rectifications by establishing and improving related systems, enhancing inspection and taking other relevant measures:

In terms of control over its subsidiaries, and regarding cases where defects in internal control systems of its subsidiaries (such as lack of regulations on multi-source credits and lax implementation of internal control systems) caused losses due to too large credit lines extended to their customers, the Company revised and issued the Marketing Credit Risk Management Measures of Shandong Xinhua Pharmaceutical Company Limited (《山東新華製藥股份有限公司營銷信用風險管理辦法》), specifying the provisions for multi-source credit extension, and intensifying monitoring and inspection to prevent new credit risks arising from such large credit lines.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露

企業管治常規守則

本公司董事(包括獨立非執行董事)確認本公司於截至二零一一年十二月三十一日止年度內已遵守企業管治常規守則條文(「該守則」)。企業管治常規守則條文包括香港聯交所有限公司(「聯交所」)公佈的證券上市規則(「上市規則」)附錄十四所載的條款。

本公司一直致力達到根據該守則所述的最佳企業管治常規。

獨立非執行董事

本集團已遵守上市規則第3.10(1)和3.10(2)條有關委任足夠數量的獨立非執行董事且至少一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關財務管理專長的規定。本公司聘任了三名獨立非執行董事，其中一名獨立非執行董事具有財務管理專長。

本公司三名獨立非執行董事分別向本公司提交獨立性確認書，確認其在報告期內嚴格遵守聯交所公佈的《上市規則》第3.13條所載有關其獨立性的條款。本公司認為有關獨立非執行董事為本公司獨立人士。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors (including the Independent Non-Executive Directors), are of the opinion that for the year ended 31 December 2011, the Company has complied with all requirements set out in the Code on Corporate Governance Practices (the "Code") including provisions contained in Appendix 14 to the Listing Rules.

The Company has always strived to comply with the best practices of the Code on Corporate Governance Practices.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Group has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of a sufficient number of independent non-executive directors and at least one independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise. The Company has appointed three independent non-executive directors including one with financial management expertise.

The three independent non-executive directors of the Company have submitted confirmation of independence to confirm that he / she has strictly complied with the independence guidelines set out in Rule 3.13 of the Listing Rules to the SEHK during the reporting period. The Company considers each independent non-executive director to be independent from the Company.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

上市公司董事及監事進行證券交易的標準守則(《標準守則》)

本報告期內，本公司已採納一套不低於上市規則附錄十所載《標準守則》所訂標準的行為守則。經向董事查詢後，本公司確認每名董事及監事均已遵守有關董事進行證券交易的標準守則內所載準則規定。

董事會

(1) 董事會組成

董事
Directors

張代銘 Mr. Zhang Daiming	董事長 Chairman
任福龍 Mr. Ren Fulong	非執行董事 Non-executive director
杜德平 Mr. Du Deping	執行董事、總經理 Executive director, general manager
趙松國 Mr. Zhao Songguo	執行董事、副總經理、財務負責人 Executive director, deputy general manager, financial controller
徐 列 Mr. Xu Lie	非執行董事 Non-executive director
趙 斌 Mr. Zhao Bin	非執行董事 Non-executive director
朱寶泉 Mr. Zhu Baoquan	獨立非執行董事 Independent non-executive director
孫明高 Mr. Sun Minggao	獨立非執行董事(2011年12月22日屆滿離任) Independent non-executive director (ceased to be an independent non-executive director with effect from on 22 December 2011)
鄭志傑 Mr. Kwong Chi Kit, Victor	獨立非執行董事 Independent non-executive director
白慧良 Mr. Bai Huiliang	獨立非執行董事(2011年12月22日獲委任) Independents non-executive director (appointed on 22 December 2011)

董事會成員簡介載於本報告第四節「董事、監事、高級管理人員和員工情況」。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (“MODEL CODE”)

During the year, the Company has adopted a code of conduct regarding securities transactions by Directors and Supervisors on terms no less exacting than the required standard set out in the Model Code as set out in Appendix 10 to the Listing Rules. Following specific enquiries made with the Directors, the Company has confirmed that each Director and Supervisor has complied with the required standard set out in the Model Code regarding securities transactions by directors.

The Board of Directors

(1) The Board consists of

Brief Introduction of the Board members are set out in the “DIRECTORS, SUPERVISORS, SENIOR OFFICERS AND STAFF”.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露
(續)

董事會(續)

- (2) 在本年度內，本公司董事會共召開6次董事會會議，各董事出席上述董事會情況如下：

董事姓名 Name	應參加次數 The number of participants	親自出席 Personally attended	委託出席/ 書面表決 Commissioned to attend / written resolution	缺席 Absent	備註 Remarks
張代銘 Mr. Zhang Daiming	6	6	0	0	
任福龍 Mr. Ren Fulong	6	6	0	0	
杜德平 Mr. Du Deping	6	6	0	0	
趙松國 Mr. Zhao Songguo	6	6	0	0	
徐列 Mr. Xu Lie	6	6	0	0	
趙斌 Mr. Zhao Bin	6	6	0	0	
朱寶泉 Mr. Zhu Baoquan	6	6	0	0	
白慧良 Mr. Bai HuiLiang	2	2	0	0	2011年12月22日獲委任 appointed on 22 December 2011
孫明高 Mr. Sun Minggao	4	4	0	0	2011年12月22日離任 ceased to be an independent non-executive director with effect from 22 December 2011
鄭志傑 Mr. Kwong Chi Kit, Victor	6	6	0	0	

(3) 董事會運作

董事會的職責是為本公司股東創造價值，確定本公司策略、目標及計劃、領導員工確保達成預定目標。董事會成員本著誠實勤勉原則，遵守法律、法規、本公司《公司章程》及有關規定，為本公司及股東利益最大化努力工作。在各項內部控制及制衡機制下，董事會與公司經理層的職責均有明確規定。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

The Board of Directors (continued)

- (2) During the year, the Board convened six Board meetings. The details of Directors' attendance at the six Board meetings are set out below:

(3) Operation of Board

The duties of the Board are to create value for shareholders of the Company, to confirm the strategies, targets and planning of the Company, and to supervise staff in order to ensure that the set targets can be met. The members of the Board work in accordance with principles of honesty and diligence and comply with all relevant laws, regulations, the Articles of Association of the Company and the relevant requirements for the best interests of the shareholders. With various measures of internal controls and mechanisms for checks and balances, the duties of the Board and the management of the Company are clearly defined.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

董事會(續)

(3) 董事會運作(續)

董事會的角色已經清楚界定，負責指導和領導公司事務，制定策略方向及訂立目標和業務發展計劃。本公司管理層負責執行董事會決定的策略、目標和計劃。董事會已經根據中國有關法律法規及境內外上市地《上市規則》，分別制訂了《董事會工作條例》、《總經理工作條例》，進一步明確董事會職責許可權，規範董事會內部工作程序，充份發揮董事會經營決策中心作用；進一步細化了總經理產生及職權、總經理工作機構及工作程序以及總經理職責等。

(4) 信息發展及專業進修

董事會相當重視非執行董事是否(1)對本公司及其業務具備足夠認識及(2)分配充裕時間參與本公司事務以有效履行有關職責。本公司會詳列董事會議案明細表，以確保向董事簡略介紹眾多議題。董事亦有機會到訪本公司的生產經營場所並與僱員討論業務觀點，以及定期與本公司主要部門的主管會面。除公司內部簡報會，董事亦會出席外界研討會。

所有董事均可尋求公司秘書提供意見及服務，公司秘書應對董事會負責，以確保遵照董事會程序以及就判斷為履行董事職責而言，諮詢獨立專業意見，費用由本公司支付。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

The Board of Directors (continued)

(3) Operation of Board (continued)

The Board's role is clearly defined as directing and supervising the affairs of the Company, establishing its strategic direction and setting objectives and business development plans. The management of the Company is responsible for the implementation of strategies, and achieving the objectives and carrying out the plans determined by the Board. The Board has formulated the Rules for the Operation of the Board and the Rules for the General Manager according to the relevant PRC laws and regulations and the listing rules of stock exchanges both in the PRC and overseas, in which the duties and powers of the Board are further defined and the internal operation procedures of the Board are standardised. Therefore, the Board can fully perform its function as the decision-maker of the Company. The procedures for the appointment of the General Manager have been laid down. The power, scope of work, working procedures and responsibilities of the General Manager have been specifically defined.

(4) Information and professional development

It is considered of great importance that the non-executive directors (1) attain a good knowledge of the Company and its business and (2) allocate sufficient time to the Company to discharge those responsibilities effectively. The Board calendar is planned to ensure that Directors are briefed on a wide range of topics. Directors are also given the opportunity to visit the Company's production and business places and discuss aspects of the business with employees, and regularly meet the heads of the Company's main departments. As well as internal briefings, Directors attend appropriate external seminars.

All Directors have access to the advice and services of the company secretary, who is responsible to the Board for ensuring the Board procedures are complied with, and have access to independent and professional advice at the Company's expense, where they judge this to be necessary to discharge their responsibilities as Directors.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

董事長及總經理

董事長負責召集董事會，確保董事會的行為符合本公司最大的利益，並確保董事會有效運作，履行其職責，同時負責考慮其他董事提呈的任何事項，以載入董事會會議議程。

總經理負責公司的日常業務管理及業務表現。

張代銘先生為本公司的董事長，杜德平先生為本公司的總經理。

獨立非執行董事任期

第七屆董事會獨立非執行董事任期由二零一一年十二月二十二日起，為期三年。

薪酬與考核委員會

本公司設立了薪酬與考核委員會（「薪酬委員會」），為董事會設立的專門工作機構，對董事會負責。其目前成員包括獨立非執行董事朱寶泉、白慧良，執行董事張代銘及非執行董事任福龍，其中朱寶泉為薪酬與考核委員會主席。

本公司已經制定《董事會薪酬與考核委員會工作細則》。薪酬委員會負責制定公司董事及高級管理人員的薪酬，釐定董事及高級管理人員的考核標準，就彼等年內的表現進行考核，以及批准彼等的服務合約、薪酬方案，並提交董事會批准。薪酬委員會的職權範圍可按要求提供查閱。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

Chairman and General Manager

The Chairman is responsible for convening Board meetings and ensuring that the Board acts in the best interests of the Company. The Chairman ensures that the Board effectively carries out its functions and discharges its responsibilities. The Chairman is also responsible for approving the agenda for each Board meeting, taking into account any matters proposed by other Directors for the inclusion in the agenda.

The General Manager is responsible for the day-to-day management and the business performance of the Company.

Mr. Zhang Daiming was the Chairman of the Company while Mr. Du Deping was the general manager of the Company.

Term of independent non-executive directors

The independent non-executive directors of the seventh Board were re-appointed for a term of 3 years commencing from 22 December 2011.

Remuneration and Examination Committee

The Company has established a Remuneration and Examination Committee (the “Remuneration Committee”), which is a special committee responsible to the Board. The Remuneration Committee comprises Mr. Zhu Baoquan (an independent non-executive director), Mr. Bai Huiliang (an independent non-executive director), Mr. Zhang Daiming (an executive director) and Mr. Ren Fulong (a non-executive director). The Remuneration Committee is chaired by Mr. Zhu Baoquan.

The Company has formulated the “Rules for Operation of the Remuneration and Examination Committee”. The Remuneration Committee is responsible for formulating the remuneration policy of Directors and Senior Officers of the Company, determining the standard of examination of Directors and Senior Officers, assessing the performance of Directors and Senior Officers during the year and approving the terms of their service contracts and remuneration packages and submitting the same to the Board for approval. The terms of reference for the Remuneration Committee are available upon request.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

薪酬與考核委員會(續)

截至二零一一年十二月三十一日止年度內薪酬委員會召開一次會議。薪酬委員會成員全部參加了此次會議。審議通過了《關於二零一一年度董事、監事酬金的議案》及《關於二零一一年度高級管理人員酬金的議案》，並建議提交董事會審議。

本公司董事、監事及高級管理人員的薪酬根據國家政策，本公司經濟效益情況和個人工作業績，並參考社會報酬水平釐定。

提名委員會

本公司設立了提名委員會，為董事會設立的專門工作機構，對董事會負責，其目前成員包括獨立非執行董事朱寶泉、白慧良，執行董事張代銘、杜德平，其中朱寶泉為提名委員會主席。

提名委員會職責如下：

- (a) 制定提名董事或高級管理人員的政策及選擇標準；
- (b) 對出任董事和高級管理人員的人選進行初步挑選，並向董事會作出建議；
- (c) 初步挑選是根據各人的學歷、行業背景及相關領域工作經驗等進行的。
- (d) 定期檢查董事會結構、規模和成員(包括技能、知識和經驗)，並就任何建議作出的變動向董事會作出建議；

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

Remuneration and Examination Committee (continued)

During the year ended 31 December 2011, the Remuneration Committee convened one meeting for the purpose of passing the "Proposal of 2011 Annual Remuneration of Directors and Supervisors" and the "Proposal of 2011 Annual Remuneration of Senior Officers", which were submitted to the Board for approval. All the members of the Remuneration Committee attended this meeting.

The remuneration of Directors, Supervisors and Senior Officers of the Company is determined with reference to State policies, the Company's profit realised in the corresponding period, individual achievement and the average income of local residents.

Nomination Committee

The Company has established a Nomination Committee, which is a special committee responsible to the Board. The Nomination Committee comprises Mr. Zhu Baoquan (an independent non-executive director), Mr. Bai Huiliang (an independent non-executive director), Mr. Zhang Daiming (an executive director) and Mr. Du Deping (an executive director). The Nomination Committee is chaired by Mr. Zhu Baoquan.

The Nomination Committee is responsible for the following:

- (a) formulating the policy for the nomination of Directors or Senior Officers and the standard for selection of such individuals;
- (b) preliminarily selecting Directors and Senior Officers and submitting the nomination proposals to the Board;
- (c) selecting Directors and Senior Officers based on their education qualifications, industry background and experience in the relevant field;
- (d) reviewing the structure, size and composition (including the skills, knowledge and experience) of members of the Board on a regular basis and making recommendations to the Board regarding any proposed changes;

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露
(續)

提名委員會(續)

- (e) 評核獨立非執行董事的獨立性；及
- (f) 就有關委任或重選董事或高級管理人員事宜向董事會作出建議。

提名委員會的職責範圍可以按照要求提供查閱。

截至二零一一年十二月三十一日止年度內提名委員會召開一次會議。所有提名委員會成員全部參加了此次會議。二零一一年十月十九日提名張代銘、杜德平、趙松國為本公司執行董事候選人，提名任福龍、徐列、趙斌為本公司非執行董事候選人，提名朱寶泉、白慧良、鄭志傑為本公司獨立非執行董事候選人，並建議提交董事會審議。

核數師酬金

二零一一年六月二十八日召開的二零一零年度周年股東大會上，信永中和(香港)會計師事務所有限公司被聘任為本公司境外審計師，續聘信永中和會計師事務所為中國審計師。

信永中和會計師事務所連續16年獲聘任，信永中和(香港)會計師事務所有限公司連續6年獲聘任。

二零一一年度報告審計支付會計師事務所提供的核數服務報酬為：

	2011年度	2010年度
信永中和(香港)會計師事務所有限公司 SHINEWING (HK) CPA Limited	RMB420,000	RMB420,000
信永中和會計師事務所 ShineWing	RMB420,000	RMB420,000

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

Nomination Committee (continued)

- (e) assessing the independence of independent non-executive directors; and
- (f) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors or Senior Officers.

The terms of reference for the Nomination Committee are made available upon request.

During the year ended 31 December 2011, the Nomination Committee convened one meeting. All the members of the Nomination Committee attended this meeting. Mr. Zhang Daiming, Mr. Du Deping and Mr. Zhao Songguo were nominated as the executive director candidates of the Company, Mr. Ren Fulong, Mr. Xu Lie and Mr. Zhao Bin were nominated as the non-executive director candidates of the Company, Mr. Zhu Baoquan, Mr. Bai Huiliang and Mr. Kwong Chi Kit, Victor were nominated as the independent non-executive director candidates of the Company on 19 October 2011. These nominations were then submitted to the Board for approval.

Auditors' remuneration

SHINEWING (HK) CPA Limited was appointed as the international auditor and ShineWing was re-appointed as the domestic auditor in the 2010 annual general meeting held on 28 June 2011.

Shine Wing was re-appointed for the sixteenth successive year, SHINEWING (HK) CPA Limited was re-appointed for the sixth successive year.

In 2011, the auditors' remuneration for audit services provided was as follows:

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

審核委員會

本公司已經根據上市規則3.21條設立了審核委員會(「審核委員會」)，其目前成員包括三名獨立非執行董事(即朱寶泉、白慧良及鄭志傑)。審核委員會主席為鄭志傑。

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

審核委員會則負責監管本公司財務報告的公正性。除審閱本公司的財務資料和報表外，還負責與外部核數師聯繫、管理本公司的財務匯報制度、內部監控和風險管理程序等。審核委員會的職權範圍可按要求提供查閱。

審核委員會已經與管理層審閱本集團所採納的會計原則、會計準則及方法，並探討審計、內部監控及財務匯報事宜，本年度審核委員會召開四次會議，包括審閱二零一零年度經審計帳目、二零一一年第一季度未經審計帳目、二零一一年半年度未經審計帳目及二零一一年第三季度未經審計帳目。

審核委員會於二零一二年三月二十二日召開會議，審閱二零一一年年度的審計帳目及業績公告。

審核委員會個別成員出席會議的紀錄，請參閱公司治理報告的「根據中國證監會要求披露資料」項下的出席表。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

Audit Committee

Pursuant to Rule 3.21 of the Listing Rules, the Company set up an Audit Committee (the "Audit Committee") comprising three independent non-executive directors, namely Mr. Zhu Baoquan, Mr. Bai Hui liang and Mr. Kwong Chi Kit, Victor. The chairman of the Audit Committee is Mr. Kwong Chi Kit, Victor.

With reference to "A Guide for the Formation of An Audit Committee" published by the Hong Kong Society of Accountants, the Board has set out terms of reference for the Audit Committee, which define the authority and duties of the Audit Committee.

The Audit Committee has to make sure that the Company's financial report reflects a fair view of the Company. In addition to reviewing the financial information and statements of the Company, the Audit Committee is also responsible for liaising with the Company's external auditor and overseeing the Company's financial reporting system, internal control system and risk management procedures. A copy of the terms of reference for the Audit Committee is available upon request.

The Audit Committee has, together with the management, reviewed the accounting principles, practices and methods adopted by the Group and has discussed the auditing, internal controls and financial reporting of the Company. The Audit Committee has convened four meetings to review the audited financial statements for 2010, the unaudited 1st quarterly financial statements for 2011, the unaudited interim statements for 2011 and the unaudited 3rd quarterly financial statements for 2011.

The Audit Committee convened a meeting on 22 March 2012 to review the 2011 audited accounts and annual results announcement.

For the record of the attendance of individual members of the Audit Committee, please refer to the attendance table set out under the section headed "Information disclosed under the requirement of CSRC" of the Corporate Governance Report.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

投資者關係

本公司積極認真做好信息披露和投資者關係工作，並專門委任一名人士為投資者關係管理代表，本公司堅守真實、準確、完整、及時信息披露原則，通過編制業績報告、公佈公告、公司網頁、接待投資者分析員、回答問詢等方式和途徑，加強與投資者溝通聯繫，提高公司透明度。

董事、監事及高級管理人員在股份中的權益

就公司之董事、高級管理人員及監事所知悉，本公司董事、監事及其他高級管理人員持有根據《證券及期貨條例》第352條規定而記錄於本公司保存的登記冊的股份權益或淡倉，或根據上市規則附錄十中的「上市公司董事進行證券交易的標準規則」須知會本公司及香港聯交所的權益或淡倉見「董事、監事、高級管理人員和員工情況」之董事、監事及高級管理人員持有本公司股份情況。

內部監控

董事會負責本公司內部監控體系，檢查其效果，並促使經理層建立完善穩健有效的內部監控。公司的內部監控由監事會定期進行評估。

董事會確認已檢查本公司及其附屬公司內部監控體系。報告期內本公司全資子公司山東新華醫藥貿易有限公司對客戶授信額度過大導致較大經濟損失，公司未能按照《企業內部控制基本規範》和相關規定在所有重大方面保持有效的財務報告內部控制。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

Investor Relations

The Company actively and earnestly carried out work in respect of the disclosure of information and investor relations and nominated an individual to deal with the Company's investor relations. Meanwhile, the Company strictly complied with the principles of truthfulness, accuracy, completeness and timeliness in the disclosure of information. The Company also enhanced communication with investors and made efforts to improve the transparency of the Company by way of issuing results announcements, publishing announcements, launching the company's website, meeting investors and analysts and answering investors' inquiries, etc..

Directors', Supervisors' and Senior Officers' Interests in Shares

So far as the Directors, the Senior Officers and the Supervisors of the Company are aware, the interests or short position in shares of the Directors, the Supervisors and the Senior Officers, according to the register required to be kept by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules, are stated in the above subsection headed "Directors' and Supervisors' and Senior Officers' Interests in Shares of the Company" under the section "DIRECTORS, SUPERVISORS, SENIOR OFFICERS AND STAFF".

Internal Controls

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board requires the management to establish and maintain sound and effective internal controls. Evaluation of the Company's internal controls is independently conducted by the Supervisory Committee on an on-going basis.

The Board confirms that it has reviewed the effectiveness of the internal control system of the Company and its subsidiaries. Shandong Xinhua Pharmaceutical Trade Co., Ltd., a wholly-owned subsidiary of the Company, incurred relatively heavy economic losses due to large credit lines extended to its customers. The Company failed to maintain effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》) and other relevant provisions.

(二) 根據香港聯合交易所有限公司公佈的證券上市規則披露(續)

主要股東在股份中的權益

除根據上文「股本變動及股東情況」所披露外，就公司董事、高級管理人員及監事所知悉，於二零一一年十二月三十一日，沒有其他董事、高級管理人員及監事以外的任何人士於本公司股份或相關股份(視情況而定)中擁有根據《證券及期貨條例》第XV部第2和第3分部之規定須向本公司及香港聯交所披露的權益或淡倉，或根據《證券及期貨條例》第336條規定記錄於本公司保存的登記冊的權益或淡倉。

董事、監事及高級管理人員的股份及淡倉權益

除「董事、監事、高級管理人員和員工情況」一節項下之董事、監事及高級管理人員持有本公司股份情況所披露外，就公司董事、高級管理人員及監事所知悉，於二零一一年十二月三十一日，沒有本公司董事、高級管理人員及監事在本公司及其／或任何相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及／或債券(視情況而定)中擁有任何需根據《證券及期貨條例》第XV部第7和第8部份需知會本公司及香港聯交所披露的權益或淡倉(包括根據《證券及期貨條例》該些章節的規定或當作這些董事、高級管理人員及監事擁有的權益或淡倉)，或根據《證券及期貨條例》第352條規定而記錄於本公司保存的登記冊的權益或淡倉，或根據上市規則附錄十中的「上市公司董事進行證券交易的標準規則」須知會本公司及香港聯交所的權益或淡倉。

2. Information disclosed under the requirement of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (continued)

Substantial Shareholders' Interests in Shares

Save as disclosed above in "Changes in Share Capital and Shareholders" and so far as the Directors, the Senior Officers and the Supervisors of the Company are aware, as at 31 December 2011, no other person (other than a Director, Senior Officer or Supervisor of the Company) had an interest or short position in the Company's shares or underlying shares (as the case may be), which are required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Directors', Supervisors' and Senior Officers' Interest and Short Positions

Save as disclosed in "Directors' and Supervisors' and Senior Officers' Interests in Shares of the Company" under the section headed "DIRECTORS, SUPERVISORS, SENIOR OFFICERS AND STAFF", so far as the Directors, the Senior Officers and the Supervisors of the Company are aware, as at 31 December 2011, none of the Directors, the Senior Officers or the Supervisors of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")) which was required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such Director, Senior Officer or Supervisor is taken or deemed to have under such provisions of the SFO) of which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required to be notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules.

為保障本公司所有股東有效地行使本身的權利，本公司根據《公司章程》每年須召開一次股東周年大會，及在董事會認為適當的時候召開股東特別大會的規定。

(一) 本公司二零一零年周年股東大會通告於二零一一年五月十二日在報紙、聯交所披露易及公司網站上刊登並以郵寄方式送達H股股東，本次股東大會由董事會召集，於二零一一年六月二十八日在公司住所召開，出席本次股東大會的股東(包括股東代理人)人數為6人，出席本次股東大會的股東所代表的股份總數為175,665,838股，佔本公司股本總額的38.41%，本次股東大會的召開符合《中華人民共和國公司法》和本公司《公司章程》等有關規定。大會由董事長張代銘先生主持。本次股東大會通過了下列普通決議案：

1. 批准二零一零年度董事會報告；
2. 批准二零一零年度監事會報告；
3. 批准二零一零年度經審核的財務報告；
4. 批准二零一零年度利潤分配方案及派發末期現金股利；
5. 批准聘任信永中和(香港)會計師事務所有限公司(香港執業會計師)及信永中和會計師事務所(中國註冊會計師)為本公司截至二零一一年十二月三十一日止年度的國際及國內核數師並授權董事會確定其酬金；
6. 批准二零一一年度董事、監事酬金的議案；
7. 批准、確認本公司與華魯集團有限公司(「華魯集團」)簽訂的日期為二零一一年四月二十八日的協議及根據協議建議的本公司及／或其附屬公司向華魯集團銷售化學原料藥及化工產品的二零一一年、二零一二年及二零一三年的年度上限分別為人民幣70,000,000元、人民幣140,000,000元及人民幣180,000,000元。

To protect all shareholders of the Company to exercise their rights effectively, the Company shall convene an annual general meeting every year and shall hold an extraordinary general meeting whenever the Board considers appropriate in accordance with the articles of association of the Company.

(1) On 12 May 2011, the notice of the 2010 Annual General Meeting ("AGM") was published in newspapers, HKExnews and the Company's website and notice was served on the shareholders of H Shares by prepaid post. The AGM was convened by the Board of Directors and held at the Company's registered office on 28 June 2011. Six shareholders (including those represented by their proxies) attended the AGM, representing a total number of 175,665,838 shares and accounting for 38.41% of the Company's total share capital. The AGM was convened in compliance with the provisions of the Company Law of the PRC as well as the articles of association of the Company (the "Articles of Association"). The AGM was chaired by Mr. Zhang Daiming, the Chairman. The following ordinary resolutions were passed at the AGM:

1. To approve the report of the Directors for the year 2010;
2. To approve the report of the Supervisory Committee for the year 2010;
3. To approve the audited financial statements of the Company for the year 2010;
4. To approve the profit distribution plan and the distribution of a final cash dividend of the Company for the year 2010;
5. To approve the re-appointment of SHINGWING (HK) CPA Limited (Certified Public Accountants in Hong Kong) and ShineWing Certified and Public Accountants (Certified Public Accountants in the PRC) as the international and domestic auditors respectively for the year ended 31 December 2011 and authorise the Board to fix their remuneration;
6. To approve the remuneration of the Directors and the Supervisors for the year 2011;
7. To approve and confirm the agreement entered into between the Company and China Shandong Group Limited ("China Shandong") dated 28 April 2011 and the proposed annual caps in relation to the Company and/or its subsidiaries supplying bulk pharmaceuticals and chemical products to China Shandong in the sum of RMB70,000,000, RMB140,000,000 and RMB180,000,000 for 2011, 2012 and 2013 respectively under such agreement.

股東大會簡介(續)

Summarised Report of the General Meeting (continued)

決議公告於二零一一年六月二十九日刊載在國內的《證券時報》，以及香港聯交所披露易及公司網站。

(二) 本公司二零一一年第一次臨時股東大會通告於二零一一年十一月四日在報紙、聯交所披露易及公司網站上刊登並以郵寄方式送達H股股東，本次股東大會由董事會召集，於二零一一年十二月二十二日在公司住所召開，出席本次股東大會的股東(包括股東代理人)人數為2人，出席本次股東大會的股東所代表的股份總數為170,752,986股，佔本公司股本總額的37.34%，本次股東大會的召開符合《中華人民共和國公司法》和本公司《公司章程》等有關規定。大會由董事長張代銘先生主持。本次臨時股東大會通過了下列普通決議案：

1. 以累積投票方式選舉張代銘先生、杜德平先生、趙松國先生為本公司第七屆董事會執行董事，並選舉任福龍先生、徐列先生及趙斌先生為本公司第七屆董事會非執行董事。
2. 以累積投票方式選舉朱寶泉先生、白慧良先生及鄭志傑先生為本公司第七屆董事會獨立非執行董事。
3. 選舉李天忠先生、張月順先生及陶志超先生作為本公司第七屆監事會監事，其中張月順先生、陶志超先生為獨立監事。

決議公告於二零一一年十二月二十三日刊載在國內的《證券時報》，以及香港聯交所披露易、本公司網站。

選舉、更換公司董事、監事情況見上述「董事、監事、高級管理人員和員工情況」。

An announcement of the above resolutions was published in the local newspaper, Securities Times, as well as the HKExnews and the Company's website, on 29 June 2011.

(2) On 4 November 2011, the notice of the first extraordinary general meeting of 2011 was published in newspapers, HKExnews and the Company's website and was served on the shareholders of H Shares by prepaid post. The extraordinary general meeting was convened by the Board of Directors and held at the Company's registered office on 22 December 2011. Two shareholders (including those represented by their proxies) attended the meeting, representing a total number of 170,752,986 shares and 37.34% of the Company's total share capital. The meeting was convened in compliance with the provisions of the Company Law of the PRC as well as the Articles of Association. The meeting was chaired by Mr. Zhang Daiming, the Chairman. The following ordinary resolutions were passed at the meeting:

1. Mr. Zhang Daiming, Mr. Du Deping and Mr. Zhao Songguo be elected as executive Directors and Mr. Ren Fulong, Mr. Xu Lie and Mr. Zhao Bin be elected as non-executive Directors of the Company by cumulative voting;
2. Mr. Zhu Baoquan, Mr. Bai Huiliang and Mr. Kwong Chi Kit, Victor be elected as independent non-executive Directors of the Company by cumulative voting;
3. Mr. Li Tianzhong, Mr. Zhang Yueshun and Mr. Tao Zhichao be elected as Supervisors of the Company.

An announcement of the above resolutions was published in the local newspaper, Securities Times, as well as on HKExnews and the Company's website, on 23 December 2011.

The election and replacement of the Directors and the Supervisors are set out in the above section headed "DIRECTORS, SUPERVISORS, SENIOR OFFICERS AND STAFF".

致各位股東：

本人謹此提呈山東新華製藥股份有限公司(本公司)截至二零一一年十二月三十一日止年度報告書，敬請各位股東省覽。

業績與股息

本公司及其附屬公司(簡稱「本集團」)截至二零一一年十二月三十一日止年度按中國會計準則編制的營業收入為人民幣2,937,528千元，較二零一零年度增長12.37%；歸屬於上市公司股東淨利潤為人民幣76,024千元，較二零一零年度下降21.83%，每股收益人民幣0.17元。

按香港普遍採納之會計原則編制的營業額為人民幣2,917,860千元，較二零一零年度增長12.68%；本公司所有人應佔溢利為人民幣74,375千元，較二零一零年度降低26.58%，每股收益人民幣0.16元。

董事會宣佈及建議派發截至二零一一年十二月三十一日止年度末期股息每股人民幣0.03元(折合港幣約每股0.0368元，含稅)。此建議派發的股息有待二零一一年度周年股東大會審議通過。

業務回顧

2011年本集團以「轉方式、調結構、抓改革、促發展」為主線，努力克服動力能源漲價、採購成本上升、人民幣升值等因素影響，抓住市場機遇，生產經營穩步運行，主要工作回顧如下：

1. 狠抓結構調整，謀劃企業長遠發展

繼續加大科研開發投入力度，注重新產品研發與成果轉化。2011年內本公司取得甲磺酸帕珠沙星新藥證書1個、生產批件3個，聚卡波菲鈣及片劑完成臨床，同時完成生產交接項目2個、中試項目18個、小試項目14個。年內獲得授權專利14個，在研項目達到70個。

Dear shareholders,

I hereby present for your review the annual report of the Company for the year ended 31 December 2011.

Results and Dividends

In the fiscal year ended 31 December 2011, the operating income of the Company and its subsidiaries (the "Group") prepared under PRC accounting standards was RMB2,937,528,000, representing an increase of 12.37% as compared with 2010. The Group recorded its profit attributable to the equity holders of the Company of RMB76,024,000, representing a decrease of 21.83% as compared with that of year 2010. Earnings per share was RMB0.17.

The Group's sales prepared under HKGAAP were RMB2,917,860,000, representing an increase of 12.68% as compared with 2010. A profit attributable to owners of the Company of RMB74,375,000 was recorded, representing a decrease of 26.58% as compared with 2010. Earnings per share was RMB0.16.

The Board of Directors has announced and proposed a final dividend for the year ended 31 December 2011 of RMB0.03 per share (approximately HK\$0.0368 per share, including income tax). The proposed dividend is subject to the approval by the shareholders of the Company at the annual general meeting of the Company for the year 2011.

Business Review

In 2011, the Group, centred on its principal guideline of "changing the mode, adjusting the structure, implementing reforms and accelerating growth", overcame such adverse factors as rising power and energy prices, hiking procurement costs and the appreciating Renminbi, seized opportunities in the market and ensured steady production and operation. Looking back at 2011, the Group made the following achievements:

1. Extensive progression of structural adjustment for long-term corporate development

The Group continued to expand investment in research and development and attached great importance to research and development of new products and application of relevant results. During 2011, the Company obtained 1 new drug certificate for pazufloxacin mesylate, 3 approvals for production, completed clinical testing of calcium polycarbophils and tablets, completed 2 production handover projects, 18 mid-scale trial production projects and 14 small-scale trial production projects, obtained 14 authorized patents and had 70 projects under research.

業務回顧(續)

1. 狠抓結構調整，謀劃企業長遠發展(續)

園區建設取得階段性成果。湖田園區阿司匹林系列產品技術改造工程已經全面建成並進入試車階段。安乃近系列產品技術改造項目已經開工建設、激素系列產品技術改造項目將於四季度開工建設。壽光園區吡唑酮擴產等項目進展順利。各園區呈現井然有序發展態勢。

資本運作邁出新的步伐。公司初步建立起資本運作的制度體系和組織體系，確定了戰略併購的重點。年內本公司完成對山東天達生物制藥股份有限公司100%股權收購前期準備工作，2012年初完成股權收購，從而結束了公司一直缺少粉針劑型的歷史。

2. 狠抓營銷工作，提高產品市場佔有率

抓住市場機遇，積極擴大產品出口，2011年度本公司產品出口創匯完成171,406千美元，較上年度提高23.36%，本公司產品年出口金額超過1,000萬美元的達到6個。特別是在大力培植新產品方面成績突出，左旋多巴和聚卡波菲鈣產品銷量較上年度增長超過一倍。公司在通過英國藥品和健康產品管理局(MHRA)現場審計之後，製劑產品開始出口歐盟規範市場，在本公司發展史上具有里程碑式的意義。

發揮公司綜合競爭優勢，原料藥內銷也取得可喜成績，布洛芬等重點產品銷售增長較快。化工板塊對外銷售保持快速增長，並形成了以四大系列產品為基礎的循環經濟產業鏈。

大力推進大製劑市場推廣戰略。舒泰得(雷貝拉唑)、佳和洛(格列美脲)等重點製劑新產品銷量大幅度增長。高端醫院隊伍、OTC隊伍、招商隊伍和大客戶隊伍不斷壯大，其中高端醫院臨床推廣隊伍達150人，自行開發二級以上醫院200餘家。

Business Review (continued)

1. Extensive progression of structural adjustment for long-term corporate development (Continued)

The Group achieved certain results in parks building. The technical renovation project regarding the aspirin series of products at Hutian Park has been fully completed and put into trial operation. We have commenced construction of the technical renovation project regarding the analgin series of products, and will commence construction of the technical renovation project regarding the hormone series of products in the fourth quarter. Projects including pyrazolone capacity expansion were progressing smoothly at Shouguang Park. All the parks showed an orderly growth momentum.

New headway was made in capital operations. The Company preliminarily put in place the rules system and organizational system for capital operations and determined major objectives for strategic merger and acquisition. The Company completed the preliminary preparation works of the acquisition of the 100% equity interests in Shandong Tianda Bio-Pharmaceutics Co., Ltd. during the year, and completed the acquisition in early 2012, thus ending its history of lacking powder injections.

2. Reinforced focus on marketing and boosting of products market share

By seizing opportunities in the market and proactively expanding product exports, the Company recorded revenue from product exports of US\$171,406,000 for 2011, representing an increase of 23.36% over last year, and 6 products of the Company posted an annual export amount of more than US\$10 million. Remarkable results were achieved particularly in the development of new products. Sales of L-dopa and calcium polycarbophil more than doubled as compared with last year. Upon passing the on-site audit of the Medicines and Healthcare Products Regulatory Agency (MHRA) of the United Kingdom, the Company commenced to export its preparation products to the markets under the European Union. This marked a milestone in the development history of the Company.

By exerting its comprehensive competitive advantages, the Company also achieved satisfactory results in domestic sales of bulk pharmaceuticals. Sales of major products including ibuprofen witnessed relatively rapid growth. External sales of chemical segment maintained rapid growth, and a cyclic industrial chain based on the four major product series has taken shape.

The Company pushed ahead with its extensive preparations marketing strategy. Sales of major new preparation products such as 舒泰得(rabeprazole) and 佳和洛(glimepiride) recorded substantial increase. Our marketing teams for high-end hospitals, OTC, investment attraction and VIP customers kept growing. Among them, the clinical marketing teams for high-end hospitals grew to 150 persons, which have developed on their own to over 200 second-tier and higher class hospitals.

業務回顧(續)

3. 狠抓技術攻關，努力降低成本

2011年度本公司實施的公司級技術攻關20項，鹽酸曲馬多、美洛昔康等產品原料成本大幅度降低，本集團全年實現原材料節約人民幣13,000千元。

全年實施節能項目30項，MVR等一批節能新技術得到推廣應用，實現能源節約人民幣10,000千元，萬元產值能耗達到0.279噸標煤/萬元，同比下降8.5%，並榮獲山東省首個「能源管理體系認證證書」。

4. 狠抓企業管理，提升競爭實力

左旋多巴、新線布洛芬獲得歐盟COS證書，異丙安替比林通過德國聯邦衛生部的歐盟GMP證書，特別是新片劑車間通過英國衛生部的GMP檢查，標志本公司質量管理水平上了一個新臺階。

現場管理水平進一步提高，獲得「淄博市工業企業現場管理樣板企業」榮譽稱號。

全年投入資金人民幣19,700千元，實施環保治理25項，外排廢水量、COD排放量、氨氮排放量同比分別減少14.96%、15.65%和14.90%，堅持走清潔生產發展之路。

未來展望

當前及今後一段時間，企業發展需要面對市場需求疲軟、國家醫藥政策對藥品銷售的影響、產品製造成本上升、藥品市場無序競爭持續的諸多困難。

Business Review (continued)

3. Relentless efforts in technical breakthroughs and lower costs

In 2011, the Company implemented 20 corporate-level technical breakthroughs, with raw material costs for products such as tramadol hydrochloride and meloxicam significantly reduced. The Group saved RMB13,000,000 on raw materials throughout the year.

The Company pushed through 30 energy conservation projects during the year, promoted applications of some energy-saving new technologies including MVR and was awarded the "Certificate for Energy Management System Certification", the first of its kind in Shandong Province. Energy savings for the year amounted to RMB10,000,000 and energy consumption per RMB10,000 production value reached 0.279 ton of standard coal equivalent per RMB10,000, representing a year-on-year decrease of 8.5%.

4. Progressive enhancement in corporate management and boosted competitiveness

L-dopa and new-line ipuprofen were granted the COS certificate and isopropyl karthikeyan antipyrine was granted the EU-GMP certificate from the Federal Ministry of Health of Germany. Especially, the new tablets workshop passed the GMP inspection by the Department of Health of the United Kingdom, indicating a further boost of the Company's quality management level.

The Company further enhanced its on-site management level and was awarded the honour of "On-site Management Exemplar of Industrial Enterprises in Zibo City".

During 2011, in adhering to its clean production and development approach, the Company invested RMB19,700,000 and completed 25 environmental protection projects; emissions of sewage water, COD and ammonia nitrogen decreased respectively by 14.96%, 15.65% and 14.90% year on year.

PROSPECTS

At present and in the coming future, there are still a number of difficulties posing challenges to corporate development, including weakening market demands, impact of the state's medicine policies on drug sales, rising manufacturing costs and ongoing disorderly competition in the pharmaceutical market.

未來展望(續)

2012年是本集團實施「十二五」規劃承前啟後的關鍵一年，企業搬遷任務重，頭緒多。為此，2012年本集團主要工作如下：

1. 突出市場營銷工作，提升公司於醫藥市場地位

抓好重點產品、重點市場和重點客戶，在保持主導產品市場份額基礎上，擴大新產品銷售，實現新產品出口大幅度增長。加快國際營銷渠道網絡建設，爭取年內完成在美國設立公司。充分發揮公司產品優勢，採取靈活銷售策略，抓好獨家品種和特殊品種銷售。

以年初整合公司內部資源，設立製劑事業部為發展契機，努力實施重點製劑品種長期培育計劃，發揮自產原料藥製劑產品優勢，保持重點製劑品種高速增長。加強終端建設和隊伍建設，形成多元化營銷網絡。

充分發揮公司精細化工的技術優勢和產品配套優勢，加快化工產品規模化、系列化發展，推動化工板塊大幅增長。

2. 突出技術進步，為企業發展增添活力

堅持以消炎鎮痛類、心腦血管類、抗腫瘤類藥物等作為研發方向，繼續加大研發投入，加快新品研發步伐，儘快完成品種更新換代，提升科研創新能力。

加快科研成果轉化，爭取年內實現8個項目轉化生產，11個項目完成生產註冊申請，多個產品完成中試和小試。

大力推廣「四新」應用，積極開展「一品一策」技術質量攻關活動，努力提高產品質量，降低成本。

PROSPECTS (continued)

2012 is a critical year for the Group to proceed with the “12th Five-Year Plan”, with heavy relocation tasks and plenty of complications ahead. In this connection, the major tasks of the Group in 2012 are as follows:

1. Focus on marketing and raise the Company's status in the pharmaceutical market

The Company will focus on key products, markets and customers, aiming to boost sales of new products and achieve substantial increase in new products export while maintaining the market share of its dominant products. The Group will accelerate construction of international marketing channels and networks, endeavouring to complete the establishment of a company in the United States in 2012. By fully leveraging the advantages of its products, the Company will adopt flexible sales tactics and ensure sales of exclusive and special products.

By taking advantage of the growth opportunity for consolidating its internal resources and establishing a preparations division at the beginning of the year, the Company will make efforts on the long-term cultivation plan for key preparation products, exert the advantages of self-produced bulk preparation products, and maintain rapid growth of key preparation products. The Company will also strengthen development of terminals and marketing teams to build diversified marketing networks.

By bringing into full play its technological advantage of precision chemical engineering and products complementary advantage, the Company will speed up large scale and series-based development of chemical products and drive substantial growth of the chemicals sector.

2. Enhance technological progress to further invigorate corporate growth

By firmly directing its research and development at anti-inflammatory, cardiovascular, and anti-tumor drugs, the Company will continuously expand investment in research and development, accelerate research and development of new products, complete product upgrading as early as possible, and enhance its research and innovation capabilities.

By quickening application of scientific research results, the Company will strive to turn 8 projects into full production, complete production registration application for 11 projects, and complete mid- and small-scale trial production of a number of products within this year.

While proactively promoting the application of the “four new technologies” and carrying out technical quality breakthroughs based on the “one strategy for one product” approach, the Company will do its utmost to boost products quality and lower costs.

未來展望(續)

3. 突出園區建設和資本運營，加快結構調整步伐

2012年是公司老廠區搬遷、園區建設的關鍵年。以搬遷為契機，從設計到建設都要做到高起點、高質量，大力推行“四新”應用，實施對傳統生產線升級改造，努力降低成本，提高質量，發揮公司技術優勢，滿足客戶特殊要求，走差異化發展的路子。

認真總結併購山東天達生物制藥股份有限公司的經驗，進一步明確公司發展方向，積極尋求新的合作夥伴，加快公司產品結構調整及升級換代。

4. 深化企業管理，夯實發展基礎

進一步優化企業內部組織架構，精簡管理環節，強化專業管理，提高管理水平，提高運行效率。

深入開展年初確定的「基礎管理年」活動，全面強化基礎管理，針對基礎管理、專業管理中存在的難點和薄弱環節，自查整改，促使全員素質進一步提高，現場管理上新臺階，專業管理水平明顯提高，杜絕質量、安全、環保等重大事故發生。加強風險防控，切實防範經營風險，提高經營管理質量。

充分利用OA平台、K/3系統、ERP、能源在線管理系統及必聯採購網等信息化手段，進一步提高公司管理效率和管理水平。

2011年在全體員工共同努力下，本集團生產經營指標取得平穩增長。展望2012年，相信在本公司董事會帶領下，本集團會以改革創新精神打好「十二五」發展攻堅戰。

張代銘
董事長

中國·山東·濰博
二零一二年三月二十三日

PROSPECTS (continued)

3. Underscore parks construction and capital operation and accelerate structural adjustment

2012 is a critical year for the Company to relocate the old production base and construct relevant parks. Starting with the relocation and imposing high standards and high quality from design to construction, the Company will firmly promote application of the “four new technologies”, upgrade and renovate traditional production lines, lower costs, enhance quality, and exert its technological advantages to cater for the special demands of customers and adopt a differentiated growth approach.

By reflecting on the experience from the acquisition of Shandong Tianda Bio-Pharmaceutics Co., Ltd., the Company will further clarify the development direction, actively seek new partners and accelerate the structural adjustment and upgrading of products.

4. Reinforce corporate management and consolidate growth foundation

By further optimizing its internal organizational structure, the Company will streamline the management process, strengthen professional management, and enhance the management level and operational efficiency.

By further carrying out the “Year of Fundamental Management” event in as at the beginning of the year, and reinforcing fundamental management on all fronts, the Company will conduct self-examination and take remedial measures against the existing problems and weaknesses in fundamental and professional management so that the quality of all the staff and the level of on-site management and professional management can be further enhanced, and that major accidents relating to quality, safety and environmental protection can be eradicated. Furthermore, the Company will strengthen risk prevention and control, guard against operational risks in a practical manner and enhance operation and management quality.

By fully utilizing its OA platform, K/3 system, ERP, online energy management system, the www.ebnew.com procurement website (必聯採購網), and other informatized means, the Company will further raise its management efficiency and management capabilities.

In 2011, with the concerted efforts of all the staff, the Group achieved steady growth in production and operation. Looking into 2012, we are confident that under the leadership of the Board of Directors of the Company, the Group, in the spirit of reform and innovation, can achieve more breakthroughs in its development during the “12th Five-Year Plan” period.

Zhang Daiming
Chairman

Zibo, Shandong, PRC
23 March 2012

董事會報告

Report of the Board of Directors

本董事會謹向股東提呈本公司二零一一年董事會報告和本公司及本集團截至二零一一年十二月三十一日止年度經審核之帳目。

經營管理研討與分析

1. 主營業務範圍及其經營狀況

本集團主要從事開發、製造和銷售化學原料藥、製劑、化工及其他產品。本集團利潤主要來源於主營業務。

銷售分析

本集團截至二零一一年十二月三十一日止年度按中國會計準則編製的營業收入為人民幣2,937,528千元，其中化學原料藥、製劑、商業流通、化工產品及其他銷售額所佔比重分別為50.39%、18.73%、25.00%、5.88%，分別較上年上升0.75個百分點、下降0.80個百分點、下降1.18個百分點、上升1.23個百分點。

二零一一年本集團化學原料藥銷售額完成人民幣1,480,235千元，較上年上升14.06%，上升的主要因為抓住市場機遇，積極擴大產品出口，出口創匯較上年度增長23.36%，發揮公司綜合競爭優勢，重點原料藥內銷增長較快。

製劑產品銷售額完成人民幣550,308千元，較上年增長7.77%，製劑產品銷售額增長的主要因為實施大製劑市場推廣戰略，狠抓產品結構調整，重點製劑新品銷量大幅度增長。

商業流通完成銷售額人民幣734,364千元，較上年增長7.31%，商業流通銷售額增長的主要因為本年度抓住市場機遇，商業流通規模擴大。

化工產品及其他完成銷售額人民幣172,621千元，較上年增長42.10%，增長的主要因為壽光園區對外銷售規模大幅提高。

The Board of Directors sincerely submits to the shareholders the report of the Board of Directors for 2011 and the audited accounts of the Company and the Group for the year ended 31 December 2011.

Management Discussion and Analysis

1. The business scope and operating results of the Company

The Group is mainly engaged in the development, production and sale of pharmaceutical raw materials, preparations, chemical products and other products. The profit of the Group is mainly attributable to its principal operations.

Sales Analysis

Under the PRC accounting standards, the Group had an operating income of approximately RMB2,937,528,000 for the year ended 31 December 2011. Sales of bulk pharmaceuticals, preparations, medical logistics, chemical and other products accounted for 50.39%, 18.73%, 25.00% and 5.88% respectively of the total sales of the Group, representing an increase of 0.75 percentage points, a decrease of 0.80 percentage points, a decrease of 1.18 percentage points and an increase of 1.23 percentage points respectively as compared with that of last year.

During the year 2011, the sales revenue of the Group's bulk pharmaceuticals amounted to RMB1,480,235,000, representing an increase of 14.06% over last year. The increase was mainly because the Company proactively expanded product exports by seizing business opportunities, with a 23.36% rise in foreign exchange earnings from exports as compared with last year, leveraged its comprehensive competitive advantages and achieved rapid growth in domestic sales of key bulk pharmaceuticals.

The sales revenue of preparations was RMB550,308,000, representing an increase of 7.77% over last year. The growth was mainly due to substantial growth in the sales volume of key new preparations through implementing the extensive preparation marketing strategy, and vigorously adjusting the product mix.

The sales revenue of medical logistics amounted to RMB734,364,000, representing an increase of 7.31% over last year. The growth was achieved mainly by seizing market opportunities to expand business circulation.

The sales revenue of chemical and other products amounted to RMB172,621,000, representing an increase of 42.10% over last year. The growth was mainly attributable to a substantial increase in external sales by the Shouguang Park.

經營管理研討與分析(續)

1. 主營業務範圍及其經營狀況(續)

業績分析

截止二零一一年十二月三十一日止年度，按中國會計準則審計的歸屬於上市公司股東的淨利潤為人民幣76,024千元，較二零一零年度下降21.83%，按香港普遍採納之會計原則審計的本公司所有人應佔溢利為人民幣74,375千元，較二零一零年度下降26.58%，下降的主要原因為本年度資產減值損失上升。

主要產品及其於中國市場佔有率為：

Management Discussion and Analysis (continued)

1. The business scope and operating results of the Company (continued)

Results Analysis

For the year ending 31 December 2011, the profit attributable to equity holders of the Company prepared in accordance with the PRC accounting standards was approximately RMB76,024,000, representing a decrease of 21.83% as compared with that of last year. Profit attributable to owners of the Company for the year ended 31 December 2011 prepared in accordance with HKGAAP was approximately RMB74,375,000, representing a decrease of 26.58% as compared with that of 2010. The decreases were mainly attributable to the increase in provision for impairment loss of assets this year.

Major products and the corresponding market share in the PRC are set forth below:

主要產品	Major Products	佔二零一一年 總銷售額百分比 (%) As % of total sales in 2011	二零一一年 國內市場佔有率 (%) Market share in the domestic market in 2011
A. 化學原料藥	A. Pharmaceutical raw materials		
安乃近	Analgin	11.70	46
咖啡因	Caffeine	6.37	32
氨基比林	Aminopyrine	2.76	55
阿司匹林	Aspirin	5.32	60
氫化可的松	Hydrocortisone	2.60	25
吡哌酸	Pipemidic acid	0.69	100
布洛芬	Ibuprofen	4.63	55
左旋多巴	Levodopa	6.28	100
B. 製劑	B. Preparations		
吡哌酸片	Pipemidic acid tablets	1.87	90
複方甘草片	Co-liquorice tablets	1.00	4.5
尼莫地平片	Nimodipine tablets	0.70	25

經營管理研討與分析(續)

1. 主營業務範圍及其經營狀況(續)

按中國會計準則對財務狀況、經營成果的分析

於2011年12月31日本集團總資產為人民幣3,004,190千元，較年初人民幣2,739,565千元增加人民幣264,625千元，上升9.66%，總資產上升的主要原因是本年度銀行借款增加。

於2011年12月31日本集團貨幣資金為人民幣299,229千元，較年初人民幣404,050千元減少人民幣104,821千元，減少的主要原因是本年度工程項目資金支出較大。

於2011年12月31日歸屬於上市公司股東權益為人民幣1,709,932千元，較年初人民幣1,676,524千元增加人民幣33,408千元，上升1.99%，上升的主要原因為本年度經營產生盈利。

於2011年12月31日本集團負債總額為人民幣1,254,451千元，較年初人民幣1,025,031千元增加人民幣229,420千元，上升22.38%，上升的主要原因是本年度本集團為確保生產經營及工程項目所需資金供應，從銀行取得了部分銀行借款，導致借款增加。

2011年度本集團實現營業利潤及歸屬於上市公司股東的淨利潤分別為人民幣71,928千元、人民幣76,024千元，分別較上年同期下降較大，下降的主要原因為本年度資產減值損失上升。

2011年度本集團現金及現金等價物淨減少額為人民幣100,105千元，減少的主要原因為本年度工程項目資金支出較大。

Management Discussion and Analysis (continued)

1. The business scope and operating results of the Company (continued)

Analysis of financial situation and operating results in accordance with PRC accounting standards

Total assets of the Group as at 31 December 2011 was approximately RMB3,004,190,000, increased by approximately RMB264,625,000 or 9.66%, as compared with the figure of approximately RMB2,739,565,000 at the beginning of the year. The increase in total assets was mainly due to the increase of bank loans.

Cash of the Group as at 31 December 2011 was approximately RMB299,229,000, decreased by approximately RMB104,821,000, as compared with the figure of approximately RMB404,050,000 at the beginning of the year. The decrease in cash was mainly due to the increase of projects expenses this year.

Total equity attributable to the shareholders of the Company as at 31 December 2011 was approximately RMB1,709,932,000, increased by approximately RMB33,408,000 or 1.99%, as compared with the figure of approximately RMB1,676,524,000 at the beginning of the year. This increase was mainly attributable to the increase of operation profits this year.

The total liabilities of the Group as at 31 December 2011 were approximately RMB1,254,451,000, representing an increase of approximately RMB229,420,000 or 22.38%, as compared with the figure of approximately RMB1,025,031,000 at the beginning of the year. The increase was mainly attributable to part of the loans obtained by the Group from the bank to ensure the supply of funds for production, operation and projects, leading to an increase in the loans.

Operating profit of the Group for 2011 and net profit attributable to the Company's shareholders for 2011 amounted to approximately RMB71,928,000 and approximately RMB76,024,000 respectively, representing relatively larger decreases as compared with those of the previous year. The decreases were mainly attributable to the increase in provision for impairment loss of assets this year.

The Group's net decrease in cash and cash equivalents for 2011 was approximately RMB100,105,000. The decrease was mainly attributable to increased funding of expenses on projects.

經營管理研討與分析(續)

1. 主營業務範圍及其經營狀況(續)

按中國會計準則對財務狀況、經營成果的分析(續)

2011年按中國會計準則編制的分產品情況如下：

分行業或分產品	By product or By section	主營業務收入	主營業務成本	毛利率
		Turnover 人民幣千元 RMB'000	Cost of goods sold 人民幣千元 RMB'000	Rate of gross margin %
化學原料藥	Pharmaceutical raw materials	1,480,235	1,196,506	19.17
製劑	Preparations	550,308	338,259	38.53
商業流通	Medical Commercial Logistics	734,364	697,397	5.03
化工產品及其他	Chemical & other products	138,512	118,936	14.13
合計	Total	<u>2,903,419</u>	<u>2,351,098</u>	<u>19.02</u>

按香港普遍採納之會計原則分析

於2011年12月31日，本集團流動比率為115.25%，速動比率為71.96%，應收賬款周轉率為902.72%（應收賬款周轉率=營業額/平均應收賬款及票據淨額*100%），存貨周轉率為574.24%（存貨周轉率=產品銷售成本/平均存貨淨額*100%）。

本集團資金需求無明顯季節性規律。

本集團資金來源主要是向金融機構借款。於2011年12月31日，本集團銀行借款總額為人民幣688,468千元。於2011年12月31日本集團共有貨幣資金人民幣299,229千元（包括約人民幣31,263千元銀行承兌匯票保證金等存款）。

於2011年12月31日，本集團將坐落於張店區湖田鎮土地使用權抵押於銀行進行貸款，抵押土地使用權原值合計人民幣73,109千元，淨值合計人民幣69,575千元；本集團用應收賬款8,179千美元作質押取得貸款8,100千美元，本集團除上述抵押資產外，無其他抵押資產。

Management Discussion and Analysis (continued)

1. The business scope and operating results of the Company (continued)

Analysis of financial situation and operating results in accordance with PRC accounting standards (continued)

Segmental information of the main products for 2011 prepared under PRC accounting standards is as follows:

分行業或分產品	By product or By section	主營業務收入	主營業務成本	毛利率
		Turnover 人民幣千元 RMB'000	Cost of goods sold 人民幣千元 RMB'000	Rate of gross margin %
化學原料藥	Pharmaceutical raw materials	1,480,235	1,196,506	19.17
製劑	Preparations	550,308	338,259	38.53
商業流通	Medical Commercial Logistics	734,364	697,397	5.03
化工產品及其他	Chemical & other products	138,512	118,936	14.13
合計	Total	<u>2,903,419</u>	<u>2,351,098</u>	<u>19.02</u>

Analysis under HKGAAP

As at 31 December 2011, the current ratio and the quick ratio of the Group was 115.25% and 71.96% respectively, and the rate of accounts receivable turnover (rate of accounts receivable turnover = revenue/average trade and bill receivables*100%) and the rate of stock turnover (rate of stock turnover = cost of sales/average inventories*100%) were 902.72% and 574.24% respectively.

The Group's demand for working capital did not show significant seasonal fluctuation through the year.

The Group's main source of funds was loans from financial institutions. As at 31 December 2011, the total amount of outstanding bank loans was approximately RMB688,468,000. As at 31 December 2011, cash on hand and in bank of the Group amounted to approximately RMB299,229,000 (including bank acceptance drafts deposits of approximately RMB31,263,000).

As at 31 December 2011, the Group charged the land use rights in Hutianzhen, Zhangdian, to a bank as security for loans. The total original value of the land use rights is RMB73,109,000, net value is RMB69,575,000. The Group pledged accounts receivable US\$8,179,000 to a bank for a loan of US\$8,100,000. There was no other charge on the Group's assets except the above charged assets.

經營管理研討與分析(續)

1. 主營業務範圍及其經營狀況(續)

按香港普遍採納之會計原則分析(續)

為加強財務管理，本集團在現金和資金管理方面擁有嚴格的內部控制制度。本集團資金流動性好，償債能力強。

本集團於報告期內無任何重大投資、收購或資產處置。

截至2011年12月31日，本集團員工人數為6,014人，2011年全年員工工資總額為人民幣185,633千元。

本集團的資本負債率為40.07%。(資本負債率=借款總額/本公司所有人應佔權益*100%)

公司現有的銀行存款主要目的是為生產經營及科研開發投入作資金準備。

本集團之資產及負債主要以人民幣為記賬本位幣，但2011年度出口創匯完成171,406千美元，亦存在一定的匯率波動風險。本集團在降低匯率波動風險方面主要採取了以下措施：1.提高產品出口價格以降低匯率波動風險；2.在簽訂大額出口合同時就事先約定，在超出雙方約定範圍的匯率波動限度時，匯率波動風險由雙方承擔。

Management Discussion and Analysis (continued)

1. The business scope and operating results of the Company (continued)

Analysis under HKGAAP (continued)

The Group has stringent internal control systems for cash and fund management to strengthen its financial management. The Group maintained a good level of liquidity and had strong debt repayment ability.

The Group did not have any significant investment, acquisitions or asset disposals during this reporting period.

As at 31 December 2011, the number of staff employed by the Group was 6,014, and the total amount of salaries and wages for 2011 was approximately RMB185,633,000.

The debt-to-capital ratio of the Group was 40.07% (debt-to-capital ratio = total borrowings/equity attributable to owners of the Company × 100%).

The bank balance of the Company will mainly be used as working capital for production and research and development.

The assets and liabilities of the Group were mainly recorded in Renminbi. For the year ended 31 December 2011, the revenue from the Group's exports was approximately US\$171,406,000, which exposed the Group to certain risks associated with the fluctuation of exchange rates. Therefore, the Group has taken the following measures to lower the risks from the fluctuation of exchange rates: (1) the Group has increased the price of its export products to decrease the risks from the fluctuation of exchange rates; (2) the Group has made arrangements with overseas customers when entering into significant export contracts that the risks associated with the fluctuation in exchange rates shall be borne by both parties if the fluctuation exceeds the range of exchange rate fluctuation agreed by both parties.

經營管理研討與分析(續)

2. 控股子公司經營及業績情況

- (1) 本公司享有淄博新華-百利高制藥有限責任公司50.1%股東權益。合資公司註冊資本為美元6,000千元，主要從事生產、銷售布洛芬原料藥。於2011年12月31日，該公司總資產為人民幣70,957千元，所有者權益為人民幣63,528千元，2011年度實現營業收入為人民幣106,862千元，較去年同期增長2.09%，實現淨利潤為人民幣4,710千元，較去年同期降低38.07%，淨利潤降低的主要因為製造費用增長較大。
- (2) 本公司享有淄博新華-中西制藥有限責任公司75%股東權益。合資公司註冊資本為美元1,500千元，主要生產、銷售聚卡波非鈣原料藥。於2011年12月31日，該公司總資產為人民幣16,285千元，所有者權益為人民幣14,705千元，2011年度實現營業收入為人民幣11,077千元，實現淨利潤為人民幣1,096千元。
- (3) 本公司享有山東新華醫藥貿易有限公司100%股東權益。該公司註冊資本為人民幣48,499千元，主要經營生物製品、中藥飲片、中成藥、化學原料藥、化學製劑、抗生素製劑、生化藥品、保健食品、醫療器械、計劃生育藥具、化妝品等。於2011年12月31日，該公司總資產為人民幣271,953千元，所有者權益為人民幣19,531千元，2011年度實現營業收入為人民幣1,123,913千元，較去年同期增長7.30%，實現淨虧損為人民幣28,845千元，虧損的主要原因是本年度應收賬款減值損失較大。

Management Discussion and Analysis (continued)

2. Operations and Results of subsidiaries of the Company

- (1) The total registered capital of Zibo Xinhua-Perrigo Pharmaceutical Company Limited is US\$6,000,000, and the Company holds 50.1% of its equity interest. This subsidiary is mainly engaged in producing and selling Ibuprofen. As at 31 December 2011, the total assets of the subsidiary was approximately RMB70,957,000, equity attributable to shareholders of the company was approximately RMB63,528,000. In 2011, the operating income and the profit after taxation of the subsidiary were approximately RMB106,862,000 and RMB4,710,000 respectively, representing an increase of 2.09% and a decrease of 38.07% respectively as compared with that of last year. The decrease was mainly attributable to the increase in manufacturing cost.
- (2) The total registered capital of Zibo Xinhua-Eastwest Pharmaceutical Company Limited is US\$1,500,000, and the Company holds 75% of its equity interest. This subsidiary is mainly engaged in producing and selling calcium polycarboxylic bulk pharmaceutical products. As at 31 December 2011, the total assets of the subsidiary were approximately RMB16,285,000, equity attributable to shareholders of the subsidiary was approximately RMB14,705,000. In 2011, the operating income and the profit after taxation of the subsidiary were approximately RMB11,077,000 and RMB1,096,000 respectively.
- (3) The total registered capital Shandong Xinhua Medical Trade Company Limited is RMB48,499,000, and the Company holds 100% of its equity interest. This subsidiary is mainly engaged in the business of biological products, prepared herbal medicine for decoction, traditional Chinese medicine, pharmaceutical raw materials, preparations, antibiotic preparations biochemical medicine, health food, medical appliances, drugs and products for birth control and cosmetics etc.. As at 31 December 2011, the total assets of the subsidiary were approximately RMB271,953,000, equity attributable to shareholders of the subsidiary was approximately RMB19,531,000. In 2011, the operating income of the subsidiary was approximately RMB1,123,913,000, representing an increase of 7.30% as compared with that of last year. The net loss of the subsidiary was RMB28,845,000. The loss was mainly attributable to the increase in provision for impairment loss of accounts receivable.

經營管理研討與分析(續)

2. 控股子公司經營及業績情況(續)

- (4) 本公司享有山東新華制藥進出口有限責任公司100%股東權益。該公司註冊資本為人民幣5,000千元，主要從事貨物、技術進出口和開展對銷貿易、轉口貿易。於2011年12月31日，該公司總資產為人民幣13,493千元，所有者權益為人民幣9,641千元，2011年度實現營業收入為人民幣62,294千元，較去年同期增長12.37%，實現淨利潤為人民幣2,146千元，較去年同期增長5.40%。
- (5) 本公司享有新華制藥(壽光)有限公司100%股東權益。該公司實收資本為人民幣230,000千元，主要從事生產、銷售化工產品。於2011年12月31日，該公司總資產為人民幣545,915千元，所有者權益為人民幣280,450千元，2011年度實現營業收入為人民幣413,072千元，實現營業利潤為人民幣27,312千元，實現淨利潤為人民幣21,180千元，較去年同期降低5.91%。
- (6) 本公司享有淄博新華大藥店連鎖有限公司100%股東權益。該公司註冊資本為人民幣2,000千元，經營範圍包括：中成藥、中藥飲片、化學藥製劑、診斷藥品、保健食品、計劃生育藥品、醫療器械、化妝品的零售。於2011年12月31日，該公司總資產為人民幣12,270千元，所有者權益為人民幣4,770千元，2011年度實現營業收入為人民幣30,225千元，較去年同期增長19.13%，實現淨利潤為人民幣595千元，較去年同期增長16.44%。

Management Discussion and Analysis (continued)

2. Operations and Results of subsidiaries of the Company (continued)

- (4) The registered capital of Shandong Xinhua Pharmaceutical Import and Export Company Limited is RMB5,000,000, and the Company holds 100% of its equity interest. This subsidiary is mainly engaged in the import and export of goods and technologies, marketing and re-exports. As at 31 December 2011, the total assets of the subsidiary were approximately RMB13,493,000, and the equity attributable to shareholders of the subsidiary was approximately RMB9,641,000. In 2011, the operating income and the profit after taxation of the subsidiary were approximately RMB62,294,000 and RMB2,146,000 respectively, representing an increase of 12.37% and an increase of 5.40% respectively as compared with that of last year.
- (5) The total paid-up capital of Xinhua Pharmaceutical (Shouguang) Company Limited is RMB230,000,000, and the Company holds 100% of its equity interest. This subsidiary is mainly engaged in producing and selling chemical products. As at 31 December 2011, the total assets of the subsidiary were approximately RMB545,915,000, equity attributable to shareholders of the subsidiary was approximately RMB280,450,000. In 2011, the operating income, the operating profit and the profit after taxation of the subsidiary were approximately RMB413,072,000, RMB27,312,000 and RMB21,180,000 respectively, representing a decrease of 5.91% as compared with that of last year.
- (6) The registered capital of Zibo Xinhua Drug Store Chain Company Limited is RMB2,000,000 and the Company holds 100% of its equity interest. The main operations of the subsidiary are the sale of traditional Chinese medicine, prepared herbal medicine for decoction, preparations, drugs for diagnosis, drugs for birth control, medical devices, health foods and cosmetics. As at 31 December 2011, the total assets of the subsidiary were approximately RMB12,270,000, and the equity attributable to shareholders of the subsidiary was approximately RMB4,770,000. In 2011, the operating income of the subsidiary was approximately RMB30,225,000, representing an increase of 19.13% as compared with that of last year. The profit after taxation of the subsidiary was RMB595,000, representing an increase of 16.44% as compared with that of last year.

經營管理研討與分析(續)

2. 控股子公司經營及業績情況(續)

- (7) 本公司享有淄博新華醫藥設計院有限公司100%股東權益。該公司註冊資本為人民幣3,000千元，主要經營醫藥工程的設計等，於2011年12月31日，該公司總資產為人民幣7,102千元，所有者權益為人民幣4,706千元，2011年度實現營業收入為人民幣10,328千元，較去年同期增長26.44%，實現淨利潤為人民幣1,538千元，較去年同期降低4.47%。
- (8) 本公司享有山東新華制藥(歐洲)有限公司65%股東權益。合資公司註冊資本為歐元769千元，主要經營醫藥原料藥及中間體。於2011年12月31日，該公司總資產為人民幣37,129千元，所有者權益為人民幣12,188千元，2011年度實現營業收入為人民幣92,325千元，較去年同期下降20.47%，實現淨利潤為人民幣2,775千元，較去年同期降低38.46%，利潤降低主要是營業收入減少所致。
- (9) 本公司享有新華(淄博)置業有限公司100%股權權益。該公司於2010年12月註冊成立，註冊資本為人民幣20,000千元，主要經營房地產開發、銷售等。於2011年12月31日，該公司總資產為人民幣19,868千元，所有者權益為人民幣19,826千元，2011年實現淨虧損為人民幣174千元。

Management Discussion and Analysis (continued)

2. Operations and Results of subsidiaries of the Company (continued)

- (7) The registered capital of Zibo Xinhua Pharmaceutical Design Institute Company Limited is RMB3,000,000 and the Company holds 100% of its equity interest. This subsidiary is mainly engaged in the business of the design of medical projects. As at 31 December 2011, the total assets of the subsidiary were approximately RMB7,102,000, and the equity attributable to shareholders of the subsidiary was approximately RMB4,706,000. In 2011, the operating income was approximately RMB10,328,000, representing an increase of 26.44% as compared with that of last year. Profit after taxation of the subsidiary was approximately RMB1,538,000, representing a decrease of 4.47% as compared with that of last year.
- (8) The registered capital of Shandong Xinhua Pharmaceutical (Europe) GmbH is EUR769,000 and the Company holds 65% of its equity interest. This subsidiary is mainly engaged in the business of bulk pharmaceutical intermediates. As at 31 December 2011, the total assets of the subsidiary were approximately RMB37,129,000, and the equity attributable to shareholders of the subsidiary was approximately RMB12,188,000. In 2011, the operating income and the profit after taxation of the subsidiary were approximately RMB92,325,000 and RMB2,775,000 respectively, representing a decrease of 20.47% and a decrease of 38.46% as compared with that of last year. The decrease in profit after tax was mainly due to the decrease in operating income.
- (9) Total registered capital of Xinhua (Zibo) Real Estate Company Limited is RMB20,000,000, and the Company holds 100% of its equity interest. This subsidiary was established in December 2010 and is mainly engaged in the business of real estate development and sales. As at 31 December 2011, the total assets of the subsidiary were RMB19,868,000, and the equity attributable to shareholders of the subsidiary was RMB19,826,000. In 2011, the net loss of the subsidiary was RMB174,000.

董事會報告(續)

Report of the Board of Directors (continued)

經營管理研討與分析(續)

3. 募集資金使用情況

本公司於二零零一年九月三日增發3,300萬股A股(含國有股減持300萬股)，募集資金淨額為人民幣370,517千元，截止二零一一年十二月三十一日，共使用募集資金人民幣343,089千元，主要用於以下項目：

募集資金投資項目名稱 Name of project	募集資金 投入計劃 Total investment 人民幣千元 RMB'000	2011年 實際投入 Investment in 2011 人民幣千元 RMB'000	累計投資額 Accumulated investment 人民幣千元 RMB'000	完成計劃投 資額的比例 % of the total investment	備註 Remark
國家級技術中心改造項目 State-level technical centre	74,500	8,858	33,156	44.50%	—
針劑GMP改造項目 Injection workshop GMP renovation	80,000	—	80,226	100.28%	完工 Completed
咖啡因技術改造項目 Caffeine technical renovation	160,000	—	188,201	117.63%	完工 Completed
L-350技術改造項目 L-350 technical renovation	29,980	—	23,442	78.19%	完工 Completed
安乃近精幹包(GMP)改造項目 Analgin GMP renovation	39,800	—	46,265	116.24%	完工 Completed
合計 Total	384,280	8,858	371,290	—	

附註：

1. 針劑(GMP)改造項目受藥品降價影響未達到盈利預測水平；
2. 咖啡因技術改造項目受價格及出口退稅率下降的影響，未達到盈利預測水平；
3. 國家級技術中心改造項目主體工程已經完工。

尚未使用的募集資金存於銀行，將按照承諾投資項目使用。

Management Discussion and Analysis (continued)

3. Use of Proceeds

On 3 September 2001, the Company raised an amount of RMB370,517,000 from the issue and offer of 33,000,000 A Shares (including the offer of 3,000,000 state-owned shares). As at 31 December 2011, a total of approximately RMB343,089,000 from the proceeds of the above issue of A Shares had been used in the following projects:

Note:

1. The projected profit level of the injection GMP renovation project was not attained because of the effects of the drop in the drugs price.
2. The projected profit level of the caffeine technical renovation project was not attained because of the effects of the drop in the price and the export tax rebate rate.
3. The main project of the renovation of the state-level technical center has been completed.

The unused proceeds were deposited in banks and will be used in accordance with project commitments.

董事會工作報告

1. 在本年度內，本公司董事會共召開六次會議：
 - (1) 本公司於二零一一年三月十八日在公司住所召開第六屆董事會第十次會議，相關公告刊登於二零一一年三月二十一日內地《證券時報》、香港聯交所披露易、本公司網站。
 - (2) 本公司於二零一一年四月二十八日在公司住所召開第六屆董事會第十一次會議，相關公告刊登於二零一一年四月二十九日內地《證券時報》、香港聯交所披露易、本公司網站。
 - (3) 本公司於二零一一年七月二十二日在公司住所召開第六屆董事會第十二次會議，相關公告刊登於二零一一年七月二十五日內地《證券時報》、香港聯交所披露易、本公司網站。
 - (4) 本公司於二零一一年十月二十日在公司住所召開第六屆董事會第十三次會議，相關公告刊登於二零一一年十月二十一日內地《證券時報》、香港聯交所披露易、本公司網站。
 - (5) 本公司於二零一一年十二月二十二日在公司住所召開第七屆董事會第一次會議，相關公告刊登於二零一一年十二月二十三日內地《證券時報》、香港聯交所披露易、本公司網站。
 - (6) 本公司於二零一一年十二月三十日以書面表決方式召開第七屆董事會第一次臨時會議，相關公告刊登於二零一一年十二月三十一日內地《證券時報》、香港聯交所披露易、本公司網站。

Working Report of the Board

1. During the year, the Board of Directors passed resolutions on six occasions:
 - (1) On 18 March 2011, the tenth meeting of the Sixth Board was convened at the Company's registered office, and the results of the meeting were published in Securities Times in the PRC, HKExnews and on the Company's website on 21 March 2011.
 - (2) On 28 April 2011, the eleventh meeting of the Sixth Board was convened at the Company's registered office, and the results of the meeting were published in Securities Times in the PRC, HKExnews and on the Company's website on 29 April 2011.
 - (3) On 22 July 2011, the twelfth meeting of the Sixth Board was convened at the Company's registered office, and the results of the meeting were published in Securities Times in the PRC, HKExnews and on the Company's website on 25 July 2011.
 - (4) On 20 October 2011, the thirteen meeting of the Sixth Board was convened at the Company's registered office, and the results of the meeting were published in Securities Times in the PRC, HKExnews and on the Company's website on 21 October 2011.
 - (5) On 22 December 2011, the first meeting of the Seventh Board was convened at the Company's registered office, and the results of the meeting were published in Securities Times in the PRC, HKExnews and on the Company's website on 23 December 2011.
 - (6) On 30 December 2011, the first extraordinary meeting of the Seventh Board was convened by way of written resolutions, and the results of the meeting were published in Securities Times in the PRC, HKExnews and on the Company's website on 31 December 2011.

董事會報告(續)

Report of the Board of Directors (continued)

董事會工作報告(續)

2. 董事會執行股東大會決議情況

二零一零年度公司股息已於二零一一年八月底前派發完畢。

董事、監事及高級管理人員簡介

董事、監事及高級管理人員簡介見「董事、監事、高級管理人員和員工情況」之「董事、監事及高級管理人員簡介」。

公眾持股

本公司確認於本報告期內及截至發出本報告前的最後可行日期本公司公眾股東持股量滿足有關要求。

董事、監事的酬金

本年度本公司董事、監事的酬金詳情載於按香港普遍採納之會計原則編制帳目附註16。

最高酬金人士

本年度本集團獲最高酬金的前五名人士為本公司兩名董事及三名中層管理人員。詳情請參閱按香港普遍採納之會計原則編制帳目附註17。

Working Report of the Board (continued)

2. Implementation of the Resolutions passed at the general meeting by the Board

The dividend for 2010 of the Company was distributed by the end of August 2011.

Brief Introduction of Directors, Supervisors and Senior Officers

Brief introduction of Directors, Supervisors and Senior Officers are listed in the above section headed "BRIEF INTRODUCTION OF DIRECTORS, SUPERVISORS AND SENIOR OFFICERS" under the section "DIRECTORS, SUPERVISORS, SENIOR OFFICERS AND STAFF".

Public Float

The Company has complied with the requirement in respect of the minimum public float during this reporting period and up to the latest practicable date prior to the issue of this report.

Remuneration of Directors and Supervisors

Details of the remuneration of the Company's Directors and Supervisors are set out in note 16 to the Accounts prepared in accordance with HKGAAP.

Individuals with the Highest Remuneration

The five individuals with the highest salaries paid by the Group during the year 2011 were two directors and three middle managers. For details, please refer to note 17 to the Accounts prepared in accordance with the HKGAAP.

董事、監事購買股份或債券之權利中取得之利益

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

董事、監事之服務合約

所有董事、監事暫未與本公司訂立服務合約。

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

管理合約

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

董事與監事之合約中的利益

本公司、其所屬公司、其控股股東或控股公司其他附屬公司之間於本年度年終或年內任何時間，均無就本集團業務簽訂任何董事、監事直接或間接佔有重大利益的合約。

帳目

根據香港普遍採納之會計原則及中國會計準則編制的有關本集團及本公司截至二零一一年十二月三十一日止年度業績和於二零一一年十二月三十一日財務狀況載於「根據香港普遍採納之會計原則編制的賬目」和「按中國會計準則編制之賬目」。

財務摘要

根據香港普遍採納之會計原則編制的本集團於過去五個財政年度及中國會計準則編制的本集團於過去三個財政年度的業績、資產及負債載於「會計數據和業務數據摘要」。

Directors' and Supervisors' Rights to Acquire Shares

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

Service Contracts of Directors and Supervisors

None of the Directors and Supervisors has entered into a service contract with the Company.

None of the Directors and the Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Management Contracts

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

Directors' and Supervisors' Interests in Contracts

None of the Company, its holding company, its controlling shareholder fellow subsidiaries of the controlling company have entered into any contracts in relation to the Company's business in which any Directors or Supervisors had a material interest, whether directly or indirectly at the end of the year or at any time during the year.

Accounts

The Group's results for the year ended 31 December 2011 and the financial position of the Group and the Company as at 31 December 2011 prepared in accordance with HKGAAP and PRC accounting standards are set out in section headed "ACCOUNTS PREPARED IN ACCORDANCE WITH HONG KONG GENERALLY ACCEPTED ACCOUNTING PRINCIPALS" and "ACCOUNTS PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS".

Financial Summary

A summary of the results, assets and liabilities of the Group prepared in accordance with HKGAAP for the last five financial years and PRC accounting standards for the last three financial years is set out in section headed "SUMMARY OF FINANCIAL AND OPERATING RESULTS".

董事會報告(續)

Report of the Board of Directors (continued)

利潤分配

根據中國會計準則編制本集團截至二零一一年十二月三十一日止年度實現淨利潤人民幣76,024千元，按本公司2011年度實現的淨利潤10%提取法定盈餘公積金人民幣7,423千元；建議派發末期股息每10股人民幣0.3元(折合港幣約0.368元，含稅)，按已發行的307,312,830股A股及150,000,000股H股計算，共計人民幣13,719千元。以上建議將提交本公司二零一一年度周年股東大會審議批准。

公司前三年現金分紅情況

	現金分紅金額(含稅)	合併報表中歸屬於母公司所	佔合併報表中歸屬於母公司
		所有者的淨利潤(按中國會計準則編製)	所有者的淨利潤(按中國會計準則編製)的比率
	Amounts	Profit attributable to the	As % of Profit attributable
	(including income tax)	equity holders of the	to the equity holders of the
	(人民幣元)	Company in consolidated	Company in consolidated
	RMB	statements (prepared in	statements (prepared in
		accordance with PRC	accordance with PRC
		accounting standards)	accounting standards)
		(人民幣元)	(%)
		RMB	%
2010	22,865,641.50	97,256,602.75	23.51
2009	22,865,641.50	102,244,346.19	22.36
2008	13,719,384.90	33,965,477.41	40.39

Profit Distribution

In accordance with PRC accounting standards, the Group recorded a net profit of approximately RMB76,024,000 for the year ended 31 December 2011, 10% of the net profit of the Company was transferred to the statutory surplus reserves amounting to approximately RMB7,423,000. The Board has recommended to distribute a final dividend at RMB0.3 per 10 shares subject to the approval of the shareholders of the following 2011 annual general meeting of the Company (equivalent to approximately HK\$0.368, tax inclusive) on 307,312,830 A Shares and 150,000,000 H Shares in issue, which is aggregated to be approximately RMB13,719,000. The above recommendation will be submitted to the 2011 Annual General Meeting of the Company for approval.

Cash dividends of the Company in the past three years

主要業務及按地區劃分的營業額

本集團及本公司本年度按地區分析之營業額載於按香港普遍採納之會計原則編制帳目附註6。

股本變動及股東情況介紹

本公司於本年度內股本變動及股東情況介紹見「股東變動及股東情況」

儲備

本集團及本公司本年度內儲備的變動情況分別載於按香港普遍採納之會計原則編制之綜合權益變動表及按中國會計準則編制之股東權益變動表。

Principal Activities and Geographical Analysis of Operations

The turnover of the Group and the Company in various geographical locations is set out in note 6 to the Accounts prepared in accordance with the HKGAAP.

Changes in Share Capital and Shareholders

Changes in share capital and shareholders are set out in the above section headed "CHANGES IN SHARE CAPITAL AND SHAREHOLDERS"

Reserves

Movements in the reserves of the Group and the Company during the year 2011 are set out in Consolidated Statement of Changes in Equity to the Accounts prepared in accordance with the HKGAAP, and Statement of Changes in Shareholder's Equity prepared in accordance with PRC accounting standards, respectively.

固定資產

本集團及本公司於二零一一年度固定資產變動情況載於按香港普遍採納之會計原則編制帳目附註19及按中國會計準則編制帳目附註八、11。

銀行貸款及其他借款

本集團及本公司於二零一一年十二月三十一日的銀行貸款及其他借款情況之詳情載於按香港普遍採納之會計原則編制帳目附註33及中國會計準則編制帳目附註八、16、八、25及八、27。

資本化利息

本年度內本集團在建工程所借貸款的資本化利息金額為人民幣3,926千元。

職工宿舍

本集團截至二零一一年十二月三十一日止年度內並無出售職工宿舍予本集團員工。但自一九九八年一月一日起，本集團已根據中國政府有關規定，按員工工資8%繳納由山東省淄博市財政局管理的住房公積金，於截至二零一一年十二月三十一日止年度內，本集團共繳納職工住房公積金人民幣8,740千元。

職工基本醫療保險

根據《山東省建立城鎮職工基本醫療保險制度的實施方案》和《淄博市關於建立城鎮職工醫療保險制度的實施方案》等文件要求，本公司已經於二零零四年十二月實行職工基本醫療保險制度。於截至二零一一年十二月三十一日止年度內，本集團共繳的職工醫療保險人民幣10,910千元。

Fixed Assets

Details of the movement in the fixed assets of the Group and the Company during 2011 are set out in note 19 to the Accounts prepared in accordance with the HKGAAP, and note 8.11 to the Accounts prepared in accordance with PRC accounting standards.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group and the Company as at 31 December 2011 are set out in note 33 to the Accounts prepared in accordance with the HKGAAP, and notes 8.16, 8.25 and 8.27 to the Accounts prepared in accordance with the PRC accounting standards.

Interest Capitalised

During the year, interest capitalised in respect of loans borrowed by the Group for financing its construction-in-progress amounted to RMB3,926,000.

Staff Quarters

The Group did not sell any staff quarters to its employees during the year ended 31 December 2011 but was required to contribute 8% of the basic wages of the Group's staff to the accommodation scheme managed by the Shandong Province Zibo Municipal Finance Bureau in accordance with the relevant regulations implemented by the PRC government authorities since 1 January 1998. For the year ended 31 December 2011, contributions to the accommodation scheme made by the Group in this respect amounted to approximately RMB8,740,000.

Staff Basic Medical Insurance

Pursuant to the Plan for Implementation of Basic Medical Insurance System for Urban Employees promulgated by the Shandong Provincial Government and the Schedule for Establishment of Medical Insurance System for Urban Employees implemented by Zibo Municipal Government, the Company joined the above-mentioned Medical Insurance System for Urban Employees in December 2004. For the year ended 31 December 2011, the total contribution of the Group to the staff basic medical insurance was approximately RMB10,910,000.

稅收優惠問題

根據山東省科學技術廳、山東省財政廳、山東省國家稅務局、山東省地方稅務局魯科高字[2012]19號文件批覆，本公司被認定為高新技術企業，認定有效期為3年（2011年至2013年）。根據《中華人民共和國企業所得稅法》規定，本公司自獲得高新技術企業認定後三年內，將享受按15%的稅率徵收企業所得稅的稅收優惠政策。

委託存款問題

截至二零一一年十二月三十一日止年度，本集團沒有於非銀行金融機構的存款及屬於委託性質的存款，也不存在到期不能收回的定期存款。

重要事項

二零一一年度內本公司的重要事項見「重要事項」。

主要客戶及供應商

本集團五大原料供應商的採購費用及五大客戶的銷售額分別佔本集團於截至二零一一年十二月三十一日止年度總採購額及總銷售額之比重分別為10.74%和19.19%。

本集團最大原料供應商的採購費用及最大客戶的銷售額分別佔本集團於截至二零一一年十二月三十一日止年度總採購額及總銷售額之比重分別為2.80%和6.28%。

據董事會所知，概無董事、彼等聯繫人士（按香港聯交所上市規則界定），或持有本公司股本超過百分之五之股東於本年度於本集團之上述客戶或供應商擁有權益。

Preferential Tax Treatment

According to the formal notice (Code Guo Ke Fa Huo No. (2012) 19) issued by the Department of Science and Technology of Shandong Province, Shandong Province Finance Bureau, National Taxation Bureau of Shandong and Local Taxation Bureau of Shandong Province, stating that the Company is recognised as a new and high technology enterprise, the recognition will be valid for three years, from 2011 to 2013. According to the Law of the People's Republic of China on Enterprise Income Tax, the income tax to be levied on the Company will be 15% from the award of the recognition.

Designated Deposits

For the year ended 31 December 2011, the Group had neither placed any deposits with any non-banking financial institutions, nor had it placed any designated deposits. The Group does not have any overdue time deposits.

Important Issues

Important issues of the Company for the year 2011 are set out in the section headed "IMPORTANT ISSUES".

Major Customers and Suppliers

The percentages of purchases and sales attributable to the Group's five largest suppliers and five largest customers were 10.74% and 19.19% of the Group's total purchases and total sales, respectively, for the year ended 31 December 2011.

The percentages of purchases and sales attributable to the Group's largest supplier and largest customer were 2.80% and 6.28% of the Group's total purchases and total sales, respectively, for the year ended 31 December 2011.

As far as the Directors are aware, none of the Directors or any of their associates (within the meaning of the Listing Rules), or those shareholders which own more than 5% of the share capital of the Company have an interest in any of the above customers or suppliers of the Group during the year.

購買、出售及贖回本公司之上市股份

截至二零一一年十二月三十一日止年度內本公司並無贖回本公司之上市股份。本公司及其附屬公司於年度內並無購買、出售及贖回任何本公司股份。

優先認股權

本公司的公司章程及中國法律並無優先認股權條款。

員工退休金計劃

本集團參加國家管理的社會養老及退休保險基金，並按照當地政府的規定繳納保險費。本集團目前向社會養老及退休保險基金繳納的保險費為所有員工每年工資及獎金總額的19%。當地政府承諾支付所有現在和將來退休員工的退休福利支出。所有向社會養老及退休保險基金繳納的保險費將於損益表內作為開支。於截至二零一一年十二月三十一日止之年度內，本集團繳納的社會養老及退休保險費為人民幣30,479千元。

內幕信息知情人登記管理情況

2010年度內，本公司董事會審議通過了《內幕信息知情人登記管理制度》，並嚴格執行。本年度內不存在違規情形。

Purchase, Sale and Redemption of the Company's Listed Securities

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's listed securities.

Pre-emptive Rights

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

Retirement Scheme Arrangements

The Group participates in the State Social Retirement Scheme (the "Scheme") and pays the insurance premium in accordance with the particular regulation issued by the local municipal government whereby it is required to make an annual contribution of 19% of the total salaries and bonuses paid to staff. In turn, the local municipal government undertakes to assume the retirement benefit obligations of all existing and future retirees of the Group. Contributions to the Scheme are charged to the profit and loss account as and when they are incurred. For the year ended 31 December 2011, the total contribution of the Group to the Scheme was approximately RMB30,479,000.

Insiders Registration and Management on Insider Information

In 2010, the Board of the Company considered and approved the Insiders Registration and Management System on Insider Information (《內幕信息知情人登記管理制度》), followed by strict implementation. No cases of non-compliance were discovered during the year.

董事會報告(續)

Report of the Board of Directors (continued)

關連交易

本集團在正常業務範圍內進行之重大有關連人士交易摘要如下：

Connected Transactions

Significant connected transactions carried out in the normal course of the Group's business are summarised as follows:

		二零一一年 2011 人民幣千元 RMB'000	二零一零 2010 人民幣千元 RMB'000
與直接控股公司山東新華醫藥集團 有限責任公司及其附屬公司	With immediate holding company Shandong Xinhua Pharmaceutical Group Company Limited and its subsidiaries		
— 銷售水電汽及廢料	— Sale of water, electricity, steam and waste materials	10,667	10,824
— 採購原材料	— Purchase of raw materials	52,696	64,408
— 支付商標許可年費	— Payment of annual trademark licence fee	1,100	1,100
— 設計費收入	— Design fees income	116	5
— 租金支出	— Rental expenses	500	500
— 應收同系附屬公司減值損失	— Impairment losses on amounts due from fellow subsidiaries	—	12,474
與同系附屬公司 — 華魯集團有限公司	With fellow subsidiary - China Shandong Group Ltd.		
— 銷售化學原料藥及化工原料	— Sale of bulk pharmaceuticals and chemical raw materials	29,057	—
與聯營公司	With associates		
— 採購原材料	— Purchase of raw materials	276	29
— 銷售水、電、汽及廢料	— Sale of water, electricity, steam	447	656
與非控股權益股東	With non-controlling interests shareholders		
— 銷售化學原料藥及化工原料	— Sale of bulk pharmaceuticals and chemical raw materials	157,367	130,031
— 採購化工原料及水電汽	— Purchase of chemical raw materials and water, electricity, steam	447	838

本公司董事(包括獨立非執行董事)確認上述的交易乃於日常業務過程中進行,且按照一般商務條款達成的,2010年度和2011年度總額未超過本公司股東大會批准的年度上限。

本公司核數師已獲聘根據香港會計師公會頒布的香港審核保證委聘準則第3000號「審核或審閱過去財務資料以外之核證委聘」及考慮香港會計師公會頒布的《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。核數師已根據上市規則第14A.38條出具無保留意見函件,函件載有對本集團已披露的關連交易的發現和結論。一份核數師函件的副本已經提交給香港聯交所。

In the opinion of the Directors (including the Independent Non-Executive Directors), the above transactions were carried out in the ordinary and usual course of the Group's business and on normal commercial terms. The aggregate amount of the above transactions for each of the years 2010 and 2011 did not exceed the annual cap approved in the general meeting of the Company.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group above under Rule 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided to SEHK.

關連交易(續)

- 1) 本公司與山東新華醫藥集團有限責任公司(「新華集團」)於2009年10月28日簽訂關於本公司及／或其附屬公司從新華集團及／或其附屬公司採購某些產品以及服務以及本公司向新華集團及／或其附屬公司出售某些產品的協議(「新華集團協議」)，期限自2010年1月1日起至2012年12月31日止，為期3年。

新華集團協議項下本公司及／或其附屬公司從新華集團及／或其附屬公司採購某些產品以及服務的2011年度上限為人民幣210,000,000元，而本公司向新華集團及／或其附屬公司銷售某些產品的2011年度上限為人民幣35,000,000元。

本公司及／或其附屬公司根據新華集團協議從新華集團及／或其附屬公司採購原材料在2011年實際發生的金額為人民幣52,696,000元。本公司根據新華集團協議向新華集團及／或其附屬公司銷售水、電、汽及廢料在2011年實際發生的金額為人民幣10,667,000元。

新華集團持有及擁有本公司已發行股本總數的36.32%，目前為本公司最大股東及主要股東。就上市規則而言，新華集團為本公司的關連人士。因此，新華集團協議項下的交易構成持續關連交易。

就上述持續關連交易，本公司已於2009年10月28日作出公告。

- (2) 於1996年12月7日，本公司獲新華集團授予商標獨家使用權(「商標許可協議」)，就其現有及將來於中國及海外的產品，使用該商標，首年年費為人民幣600,000元，其後每年遞增人民幣100,000元，直至年費達到人民幣1,100,000元，此後年費將維持在人民幣1,100,000元的水平，直至商標許可協議終止為止。

本公司已根據商標許可協議支付2011年人民幣1,100,000元的商標年費。

新華集團為本公司的關連人士。因此，商標許可協議項下的交易構成持續關連交易。

就上述持續關連交易，本公司已於2009年10月28日作出公告。

Connected Transactions (continued)

- (1) On 28 October 2009, the Company and Shandong Xinhua Pharmaceutical Group Company Limited ("SXPGC") entered into an agreement in relation to the Company and/or its subsidiaries purchasing certain products and services from SXPGC and/or its subsidiaries and the Company selling certain products to SXPGC and/or its subsidiaries for a period of three years from 1 January 2010 to 31 December 2012 (the "SXPGC Agreement").

In relation to the SXPGC Agreement, the annual cap for the Company and/or its subsidiaries purchasing certain products and services from SXPGC and/or its subsidiaries for the year 2011 is RMB210,000,000 and the annual cap for the Company selling certain products to SXPGC and/or its subsidiaries for the year 2011 is RMB350,000,000.

In relation to the Company and/or its subsidiaries purchasing raw materials from SXPGC and/or its subsidiaries under the SXPGC Agreement, the actual amount incurred in 2011 was RMB52,696,000. In relation to the Company selling water, electricity, steam and waste materials to SXPGC and/or its subsidiaries under the SXPGC Agreement, the actual amount incurred in 2011 was RMB10,667,000.

SXPGC holds and owns 36.32% of the total issued share capital of the Company and is currently the largest shareholder and a substantial shareholder of the Company. SXPGC is a connected person of the Company under the Listing Rules. As a result, the transactions under the SXPGC Agreement constitute continuing connected transactions.

In relation to the above continuing connected transaction, the Company issued an announcement on 28 October 2009.

- (2) On 7 December 1996, SXPGC granted the Company the exclusive right to use the Trademark (the "Trademark Licence Agreement") for its existing and future products in and outside the PRC at an initial annual fee of RMB600,000 increasing at the rate of an additional RMB100,000 per year until the annual fee reaches the cap of RMB1,100,000. Thereafter, the annual fee shall remain at the level of RMB1,100,000 until the agreement is terminated.

The Company paid the 2011 annual fee of RMB1,100,000 in accordance with the Trademark Licence Agreement.

As SXPGC is a connected person of the Company, the transactions contemplated under the Trademark Licence Agreement constitute continuing connected transactions.

In relation to the above continuing connected transaction, the Company issued an announcement on 28 October 2009.

關連交易(續)

- (3) 本公司與美國中西公司(「美國中西」)於2009年10月28日簽訂關於本公司向美國中西供應醫藥產品的協議(「中西協議」)，期限自二零一零年一月一日起至二零一二年十二月三十一日止，為期三年。

中西協議項下2011年的年度上限為人民幣16,500,000元。

中西協議在2011年實際發生的金額為人民幣4,599,000元。

美國中西為本公司附屬公司淄博新華中西製藥有限責任公司的主要股東，因此美國中西為本公司的關連人士。中西協議項下的交易構成持續關連交易。

就上述持續關連交易，本公司已於2009年10月28日作出公告。

- (4) 本公司與L. Perrigo於2010年10月28日簽訂關於本公司向L. Perrigo及／或其附屬公司供應醫藥產品的協議(「新百利高協議」)，期限自2011年1月1日起至2012年12月31日止，為期2年，並自動續期1年，除非6個月前以書面通知終止。

新百利高協議項下2011年的年度上限為人民幣60,000,000元。

新百利高協議在2011年實際發生的金額為人民幣45,965,000元。

L. Perrigo是百利高公司的附屬公司。百利高公司是本公司的關連人士，因為百利高公司是百利高國際公司(「百利高國際」)的母公司，而百利高國際是淄博新華-百利高製藥有限責任公司(「新華百利高」)的一個主要股東，而本公司則持有新華百利高50.1%股權。因此，L. Perrigo作為百利高公司的附屬公司，也是本公司的關連人士，新百利高協議項下的交易構成持續關連交易。

就上述持續關連交易，本公司已於2010年10月28日作出公告。

Connected Transactions (continued)

- (3) On 28 October 2009, the Company and Eastwest United Group, Inc. ("Eastwest") entered into an agreement in relation to the Company supplying pharmaceutical products to Eastwest for a period of three years from 1 January 2010 to 31 December 2012 (the "Eastwest Agreement").

The annual cap for 2011 under the Eastwest Agreement is RMB16,500,000.

The actual amount incurred in 2011 under the Eastwest Agreement was RMB4,599,000.

Eastwest is a substantial shareholder of Zibo Xinhua-Eastwest Pharmaceutical Company Limited, a subsidiary of the Company, and therefore Eastwest is a connected person of the Company. As a result, the transactions under the Eastwest Agreement constitute continuing connected transactions.

In relation to the above continuing connected transaction, the Company issued an announcement on 28 October 2009.

- (4) On 28 October 2010, the Company and L. Perrigo entered into an agreement in relation to the Company supplying pharmaceutical products to L. Perrigo and/or its affiliates for a period of two years from 1 January 2011 to 31 December 2012 (the "New Perrigo Agreement"), which is automatically renewable for a term of one year, unless terminated on six months' written notice.

The annual caps for 2011 under the New Perrigo Agreement is RMB60,000,000.

The actual amount incurred in 2011 under the New Perrigo Agreement was RMB45,965,000.

L. Perrigo is a subsidiary of Perrigo Company. Perrigo Company is a connected person of the Company as it is the parent company of Perrigo International, Inc., which is a substantial shareholder of SINO-USA Zibo Xinhua-Perrigo Pharmaceutical Company Limited ("Xinhua Perrigo"), a 50.1% owned subsidiary of the Company. Accordingly, L. Perrigo, being a subsidiary of Perrigo Company, is also a connected person of the Company and the transactions under the Perrigo Agreement constitute continuing connected transactions.

In relation to the above continuing connected transactions, the Company issued an announcement on 28 October 2010.

關連交易(續)

- (5) L. Perrigo的母公司一百利高公司於2007年1月1日成為本公司關連人士之前，新華百利高作為當時本公司的聯繫公司，與百利高公司的附屬公司一百利高中國信託，於2006年7月3日簽訂一份十年期限的書面協議。當時，有關交易並非關連交易。

協議的主要條款為百利高中國信託同意每年購買新華百利高最多1,500噸的全部醫藥產品。

在百利高公司於2007年1月1日成為本公司的關連人士後，上述交易構成持續關連交易。2011年交易的總代價為人民幣106,803,000元。

上述持續關連交易已經於2008年9月5日作出公告。

- (6) 本公司與華魯集團有限公司(「華魯集團」)於2011年4月28日簽訂關於本公司及／或其附屬公司向華魯集團供應化學原料藥及化工產品的華魯集團協議(「華魯集團協議」)，期限自獨立股東通過華魯集團協議起至2013年12月31日止，本公司及華魯集團任何一方均有權提前三個月書面通知終止本協議。

華魯集團協議項下2011年的年度上限為人民幣70,000,000元。

華魯集團協議在2011年實際發生的金額為人民幣29,057,000元。

華魯集團為華魯控股之控股子公司，華魯控股通過其全資子公司新華集團持有本公司36.32%股權及為本公司的一個主要股東。因此，華魯集團是華魯控股的聯繫人，也是本公司的關連人士，華魯集團協議項下的交易構成持續關連交易。

就上述持續關連交易，本公司已於2011年4月28日作出公告。

Connected Transactions (continued)

- (5) Before Perrigo Company, the parent company of L. Perrigo, became a connected person of the Company on 1 January 2007, the then associated company of the Company, Xinhua Perrigo, and Perrigo China Business Trust, a subsidiary of Perrigo Company, entered into a written agreement dated 3 July 2006 for a period of 10 years. At that time, the transaction was not a connected transaction.

A major term of the agreement was that Perrigo China Business Trust agreed to purchase 100% of Xinhua Perrigo's output of the pharmaceutical product up to 1,500 metric tons per year.

After Perrigo Company became a connected person of the Company on 1 January 2007, the above transactions constituted continuing connected transactions. The total consideration for the 2011 was RMB106,803,000.

In relation to the above continuing connected transactions, the Company issued an announcement on 5 September 2008.

- (6) On 28 April 2011, the Company and China Shandong Group Ltd ("China Shandong") entered into the China Shandong Agreement in relation to the Company and/or its subsidiaries supplying bulk pharmaceuticals and chemical products to China Shandong ("China Shandong Agreement"). The term of the China Shandong Agreement runs from the date on which the independent shareholders approve the China Shandong Agreement to 31 December 2013 and each of the Company and China Shandong is entitled to terminate the China Shandong Agreement by providing three months' written notice.

The annual cap for the China Shandong Agreement for 2011 is RMB70,000,000.

The actual amount incurred in 2011 under the China Shandong Agreement was RMB29,057,000.

China Shandong is a subsidiary of HHGC. HHGC is a substantial shareholder of the Company and holds 36.32% equity interest of the Company through its wholly owned subsidiary, SXPGC. Accordingly, China Shandong, being an associate of HHGC, is a connected person of the Company and the transactions contemplated under the China Shandong Agreement constitute a continuing connected transaction.

In relation to the above continuing connected transactions, the Company issued an announcement on 28 April 2011.

董事會報告(續)

Report of the Board of Directors (continued)

關連交易(續)

本公司董事會(包括獨立非執行董事)認為,上述所有關連交易及持續關連交易是屬於正常交易。他們認為有關交易是經過公平協商,且按照一般商務條款達成的,有關交易是根據公平合理的協議條款達成的,並符合股東的整體最佳利益。

核數師報告中所披露的與聯營公司間的關連交易並非上市規則第14A章所界定之持續的關連交易或關連交易。本部分所述的均是上市規則第14A章所界定的關連交易或持續關連交易。

核數師

本公司及本集團本年度按照香港普遍採納之會計原則及中國會計準則編制的帳目已分別由信永中和(香港)會計師事務所有限公司(香港執業會計師)和信永中和會計師事務所(中國註冊會計師)審核。

本公司擬於二零一二年召開的本公司二零一一年度周年股東大會上建議續聘信永中和(香港)會計師事務所有限公司和信永中和會計師事務所分別為本公司二零一二年國際和中國核數師。

承董事會命
張代銘
董事長

中國•山東•淄博
二零一二年三月二十三日

Connected Transactions (continued)

The Board (including the independent non-executive Directors) considered that all the above connected transactions and continuing connected transactions had been negotiated on an arm's length basis and were on normal commercial terms and in the ordinary course of business. They also considered the transactions had been entered into in accordance with the relevant agreements terms that were fair and reasonable, and the entering into the transactions was in the best interests of the shareholders as a whole.

The disclosed related party transactions with associates in the auditors' report were not continuing connected transactions or connected transactions as defined by Chapter 14A of the Listing Rules. All the transactions mentioned in this section were connected transactions or continuing connected transactions as defined by Chapter 14A of the Listing Rules.

Auditors

The accounts of the Company and the Group for this year are prepared in accordance with HKGAAP and PRC accounting standards and have been audited by SHINEWING (HK) CPA Limited and ShineWing, Certified Public Accountant, PRC respectively.

The Company intends to re-appoint SHINEWING (HK) CPA Limited and ShineWing Certified Public Accountant as international auditors and PRC auditors of the Company respectively for the year 2012 at the annual general meeting for the year 2011 to be held in 2012.

By order of the Board
Zhang Daiming
Chairman

Zibo, Shandong, PRC
23 March 2012

敬啟者：

二零一一年度，本公司監事會全體成員依照《中華人民共和國公司法》、本公司《公司章程》和有關法律法規的規定和要求，遵守誠信原則，忠實履行公司章程賦予的各項職責，為維護本公司及其股東利益積極地開展工作。

本年度監事會召開會議五次：

二零一一年三月十八日在公司住所召開第六屆監事會第十一次會議，主要形成如下決議：

- (1) 審議通過二零一零年度監事會報告；
- (2) 審議通過二零一零年度報告及業績公佈；
- (3) 審議通過二零一零年經審計的財務報告；
- (4) 審議關於核銷和計提資產減值準備的議案；
- (5) 審議通過二零一零年度的募集資金使用情況和關連交易；
- (6) 審議通過了二零一零年度內部控制的自我評價報告；

二零一一年四月二十八日在公司住所召開第六屆監事會第十二次會議，審議通過二零一一年第一季度報告的議案。

二零一一年七月二十二日在公司住所召開第六屆監事會第十三次會議，主要審議通過了關於二零一一年半年度報告；審議通過二零一一年半年度關連交易的議案。

二零一一年十月二十日在公司住所召開第六屆監事會第十四次會議，審議通過二零一一年第三季度報告的議案。

To All Shareholders,

In 2011, all members of the supervisory committee of the Company (the "Supervisory Committee") actively performed their tasks in protecting the interests of the Company and its shareholders in accordance with the requirements of the Company Law of the PRC, the Company's articles of association (the "Articles of Association") and the relevant PRC laws and regulations. The Supervisory Committee also performed the various duties assigned to it by the Articles of Association in an active, diligent and faithful manner.

The Supervisory Committee convened five meetings this year:

The eleventh meeting of the Sixth Supervisory Committee was convened at the Company's registered office on 18 March 2011, in which the following resolutions were passed:

- (1) To approve the report of the Supervisory Committee for the year 2010;
- (2) To approve the annual report and announcement of results for the year 2010;
- (3) To approve the audited accounts of the Company for the year 2010;
- (4) To approve the resolution in respect of the provisions for diminution in value of assets and treatment of related losses;
- (5) To approve the proposal in respect of the estimate of continuing connected transactions and the use of funds for the year 2010;
- (6) To approve the report of self-evaluation of the Company's internal control for the year 2010;

On 28 April 2011, the twelfth meeting of the Sixth Supervisory Committee was convened at the Company's registered office to approve the first quarterly report of 2011.

On 22 July 2011, the thirteen meeting of the Sixth Supervisory Committee was convened at the Company's registered office to approve the 2011 interim report of the Company and the connected transactions for the first half of 2011.

On 20 October 2011, the fourteen meeting of the Sixth Supervisory Committee was convened at the Company's registered office to approve the third quarterly report of 2011.

監事會報告(續)

Report of The Supervisory Committee (continued)

二零一一年十二月二十二日在公司住所召開第七屆監事會第一次會議，選舉李天忠先生擔任本公司監事會主席。

本監事會在本年度列席本公司董事會會議對本公司董事會所作經營決策決議是否符合國家的法律、法規及公司章程，是否符合本公司的發展前景以及是否符合股東的權益實施有效的監督。認為公司能夠依法進行運作。

本監事會認為本公司最近一次募集資金實際投入與承諾投入項目一致，本年度所發生的關連交易公平合理。

本監事會亦認真行使職權，全面認真地審閱了董事會擬提交本次股東周年大會之財務報表、董事會的工作報告等，並未發現疑問，二零一一年財務報告真實反映本公司的財務狀況和經營成果。

在該年度內除起訴山東欣康祺醫藥有限公司等五家公司所欠貨款人民幣6,073萬元案件外，無其他任何重大訴訟事項。

在該年度內本公司全資子公司山東新華醫藥貿易有限公司對客戶授信額度過大導致較大經濟損失，公司未能按照《企業內部控制基本規範》和相關規定在所有重大方面保持有效的財務報告內部控制。

在該年度內本公司無任何重大訴訟事項。

承監事會命
監事會主席
李天忠

中國·山東·濰博
二零一二年三月二十三日

On 22 December 2011, the first meeting of the Seventh Supervisory Committee was convened at the Company's registered office to elect Mr. Li Tianzhong as the Chairman of the Supervisory Committee of the Company.

Members of the Supervisory Committee attended the board meetings of the Company and exercised effective supervision as to whether business decisions made by the Board of Directors were in compliance with the laws and regulations of the PRC and the Articles of Association, and in line with the development of the Company and also in the interests of the shareholders of the Company. The Supervisory Committee considered that the Board of Directors exercised its powers in accordance with the law.

In the opinion of the Supervisory Committee, the actual use of the proceeds from the latest issue of new shares was in compliance with the undertakings made by the Company and all the connected transactions that took place during the year were fair and reasonable.

The Supervisory Committee has carried out its duties diligently. The Supervisory Committee has carefully reviewed the accounts and the Report of the Directors to be submitted by the Board of Directors to the 2011 Annual General Meeting and has not found anything contained therein to be questionable. In the opinion of the Supervisory Committee, the financial report for the year 2011 reflects the true financial position and results of the Company.

Save and except for the legal action instituted by the Group against five companies including Shandong Xinkangqi Pharmaceutical Co., Ltd. for an aggregate sum of approximately RMB 60,730,000 in receivables owed to the Company by such parties, the Group was not involved in any significant litigation.

Shandong Xinhua Pharmaceutical Trade Co., Ltd., a wholly-owned subsidiary of the Company, incurred relatively heavy economic losses due to large credit lines extended to its customers. The Company failed to maintain effective internal control over financial reporting in all material aspects in accordance with the Basic Standards for Corporate Internal Control (《企業內部控制基本規範》) and other relevant provisions.

The Company was not involved in any significant litigation during the year.

By order of the Supervisory Committee
Chairman of Supervisory Committee
Li Tianzhong

Zibo, Shandong, PRC
23 March 2012

- | | |
|--|--|
| <p>1. 本期內本集團除起訴山東欣康祺醫藥有限公司等五家公司所欠貨款人民幣6,073萬元案件外(2011年度內本公司就此事項提取資產減值損失人民幣4,859萬元)，無其他涉及或任何未完結或面臨的重大訴訟、仲裁事項。</p> | <p>1. Save and except for the legal action instituted by the Group against five companies including Shandong Xinkangqi Pharmaceutical Co., Ltd. for an aggregate sum of approximately RMB 60,730,000 in receivables owed to the Company by such parties (in respect of which the Company suffered has reflected in its accounts an impairment loss of RMB48,590,000 as a result thereof), the Group was not involved in any material litigation or arbitration and no material litigation or arbitration is pending or threatened or was made against the Group during the reporting period.</p> |
| <p>2. 本公司報告期內無重大收購及出售資產、吸收合併事項。</p> | <p>2. During the reporting period, there were no material acquisitions and sales of assets, nor any material acquisitions and mergers.</p> |
| <p>3. 本報告期內本公司無託管、承包、租賃其他公司資產或其他公司託管、承包、租賃本公司資產事項。</p> | <p>3. In the reporting period, there was no trust, subcontract or lease of assets between the Company and other companies.</p> |
| <p>4. 本報告期內，本公司無其他重大擔保及未履行完畢的重大擔保。</p> | <p>4. During the reporting period of the annual report, there was no other material guarantee provided by the Company nor had any material guarantee provided by the Company not been fully performed.</p> |
| <p>5. 本公司未發生委託他人進行現金資產管理事項。</p> | <p>5. The Company did not appoint any custodian for the management of funds.</p> |
| <p>6. 截至二零一一年十二月三十一日止年度內，本公司、本公司董事及高級管理人員均無受到監管部門處罰的情況。</p> | <p>6. None of the Company, the Directors and the Senior Officers has been penalised by any PRC authorities during the year ended 31 December 2011.</p> |
| <p>7. 本公司或持股5%以上股東披露承諾事項：無</p> | <p>7. The Company or its shareholders holding more than 5% of shares of the Company, have disclosed undertakings: Nil</p> |
| <p>8. 關連交易見按中國會計準則編制的帳目附註九。</p> | <p>8. The related party transactions are as set out in the Note 9 to the Accounts prepared in accordance with PRC accounting standards.</p> |
| <p>9. 本報告期內，本公司未向關連方提供資金，也未發生關連方向本公司提供資金的情況。</p> | <p>9. During the reporting period, the Company did not provide funds to the connected parties, and the connected parties did not provide funds to the Company.</p> |

重要事項 (續)

Important Issues (continued)

10. 核數師
- 有關核數師及其薪酬情況詳見「公司治理報告」中「核數師酬金」一節。
10. Auditors
- The auditors of the Company and respective remuneration of auditors are set out in the section headed “Auditors’ remuneration” disclosed in the “CORPORATE GOVERNANCE REPORT”.

11. 持有其他上市公司股權情況 (人民幣元)
11. Information about holding other listed companies (RMB)

證券代碼 Stock Code	證券簡稱 Abbreviated Name	初始投資金額 Initial investment amount	佔該公司 股權比例 Proportion of equity interest in investee	期末賬面值 Book value of end of this period	報告期損益 Profit/loss of this period	報告期所有者 權益變動 Change of shareholder's equity of this period
601601	中國太保 China Pacific Insurance	7,000,000.00	0.06%	96,050,000.00	1,750,000.00	(18,450,000.00)
601328	交通銀行 BANKCOMM	14,225,318.00	0.02%	36,822,016.00	149,440.00	(4,124,544.00)
	合計 Total	21,225,318.00	—	132,872,016.00	1,899,440.00	(22,574,544.00)

12. 報告期接待調研、溝通、採訪等活動情況表
12. Information of reception research, communication and interview

接待時間 Reception time	接待地點 Reception location	接待方式 Reception method	接待對象 Reception objects	談論的主要內容及提供的資料 Main content of the discussion and the information provided
2011年5月24日 24 May 2011	公司住所 Office address of the Company	實地調研 Field study	國信證券(香港)金融控股有限公司 Guosen Securities (HK) Financial Holdings Company Limited	了解公司基本情況及發展規劃 Understand the basic information and the prospect of the Company's development
2011年8月18日 18 August 2011	公司住所 Office address of the Company	實地調研 Field study	宏源證券 Hongyuan Securities	了解公司基本情況及發展規劃 Understand the basic information and the prospect of the Company's development



信永中和(香港)
會計師事務所有限公司
香港銅鑼灣
希慎道33號利園43樓

獨立核數師報告

致山東新華製藥股份有限公司全體股東

(於中華人民共和國註冊成立之股份有限公司)

我們已審核山東新華製藥股份有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)載於第79頁至第171頁的綜合財務報表，包括於二零一一年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他說明附註。

董事對綜合財務報表應負上的責任

編製綜合財務報表及確保這些財務報表遵循香港會計師公會發佈的香港財務報告準則以及香港公司條例的披露要求作出真實及公平的反映是貴公司董事的責任。由此董事確認必須採用內部控制以確保綜合財務報表的編製不存在重大錯報(不論該等錯報是否因舞弊或錯誤而導致)。

核數師責任

我們的責任乃根據我們的審核就該等綜合財務報表作出獨立意見，並僅向全體股東報告，而根據委聘之協定條款，本報告不得用作其他用途。我們不會就本報告的內容向其他人士負責或承擔任何責任。我們按照香港會計師公會頒佈的香港審計準則進行審核。該等準則要求我們遵守操守規定以及計劃及進行合理審核以確定此等綜合財務報表是否不存在重大的錯誤陳述。

TO THE SHAREHOLDERS OF SHANDONG XINHUA PHARMACEUTICAL COMPANY LIMITED

(a joint stock limited company established in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Shandong Xinhua Pharmaceutical Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 79 to 171, which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

審核範圍包括執程序以取得與綜合財務報表所載數額及披露事項有關的審核憑證。選取的該等程序須視乎核數師的判斷，包括評估綜合財務報表的重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。於作出該等風險評估時，核數師將考慮與貴集團編製並真實而公平地呈列綜合財務報表有關的內部監控，根據不同情況設計適當審核程序，但並非為貴集團的內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策的恰當性，董事所作的會計估算的合理性，並就綜合財務報表的整體呈列方式作出評估。

我們相信，我們所取得的審核憑證充分而恰當，足以為我們的審核意見提供基礎。

意見

我們認為，綜合財務報表根據香港財務報告準則真實而公平地反映貴集團於二零一一年十二月三十一日的財政狀況及貴集團截至該日止年度的溢利和現金流量，並已按香港公司條例的披露規定妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

莊國盛

執業證書編號：P05139

香港

二零一二年三月二十三日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2011 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chong Kwok Shing

Practising Certificate Number: P05139

Hong Kong

23 March 2012

綜合收益表

Consolidated Income Statement

		附註 NOTES	2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
營業額	Revenue	5	2,917,860	2,589,447
銷售成本	Cost of sales		(2,369,697)	(2,108,507)
毛利	Gross profit		548,163	480,940
投資收益	Investment income	7	4,105	5,625
其他收益	Other income	8	46,335	21,884
其他費用	Other expenses	9	(34,658)	(35,187)
分銷及銷售費用	Distribution and selling expenses		(214,103)	(145,900)
管理費用	Administrative expenses		(235,613)	(184,500)
財務費用	Finance costs	10	(28,098)	(19,155)
應佔聯營公司溢利	Share of profit of an associate	23	5,141	5,260
除稅前溢利	Profit before tax		91,272	128,967
所得稅費用	Income tax expense	11	(13,302)	(22,159)
年度溢利	Profit for the year	12	77,970	106,808
以下各項應佔年度溢利：	Profit for the year attributable to:			
本公司所有人	Owners of the Company		74,375	101,299
非控股權益	Non-controlling interests		3,595	5,509
			77,970	106,808
每股盈利 — 基本及攤薄	Earnings per share — basic and diluted	14	RMB0.163	RMB0.222

綜合全面收益表

Consolidated Statement of Comprehensive Income

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

	附註 NOTE	2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
年度溢利	Profit for the year	77,970	106,808
其他全面(費用)收益：	Other comprehensive (expense) income:		
海外業務換算產生之匯兌差額	Exchange differences arising on translation of a foreign operation	(864)	(924)
可供出售之投資產生之公允值虧損	Fair value loss arising on available-for-sale investments	(22,574)	(42,432)
於可供出售之投資出售後就計入損益之累計收益作重新分類調整	Reclassification adjustments for the cumulative gains included in profit or loss upon disposal of available-for-sale investments	—	(54)
與其他全面收益各要素有關之所得稅	Income tax relating to components of other comprehensive income	35	6,373
年度除稅後其他全面費用	Other comprehensive expense for the year, net of tax	(20,052)	(37,037)
年度全面收益總額	Total comprehensive income for the year	57,918	69,771
以下各項應佔全面收益總額：	Total comprehensive income attributable to:		
本公司所有人	Owners of the Company	54,625	64,585
非控股權益	Non-controlling interests	3,293	5,186
		57,918	69,771

綜合財務狀況表

Consolidated Statement of Financial Position

	附註 NOTES	2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment	19	1,007,323
在建工程	Construction in progress	20	120,261
土地使用權之 預付租賃款項	Prepaid lease payments on land use rights	21	222,703
投資物業	Investment properties	22	35,707
於聯營公司的權益	Interest in an associate	23	16,620
可供出售之投資	Available-for-sale investments	24	158,646
遞延所得稅資產	Deferred tax assets	35	3,418
預付獲取土地 使用權之款項	Prepayments for acquisition of land use rights		9,652
		1,889,223	1,574,330
流動資產	Current assets		
存貨	Inventories	25	401,543
應收賬款及其他應收款項	Trade and other receivables	26	375,963
土地使用權之 預付租賃款項	Prepaid lease payments on land use rights	21	5,741
應收同系附屬公司款項	Amounts due from fellow subsidiaries	27	37
應收稅金	Tax recoverable		1,289
已抵押銀行存款	Pledged bank deposits	29	35,980
銀行存款及現金結餘	Bank balances and cash	30	368,070
		1,128,189	1,188,623
列為待出售之資產	Assets classified as held for sale	31	9,646
		1,128,189	1,198,269
流動負債	Current liabilities		
應付賬款及其他應付款項	Trade and other payables	32	490,302
應付股利	Dividend payables		13,612
應付同系附屬公司款項	Amounts due to fellow subsidiaries	27	6,087
應付聯營公司款項	Amount due to an associate	28	2
應繳稅金	Tax payable		3,061
貸款	Borrowings	33	200,000
		978,881	713,064
與列為待出售資產 相聯繫的負債	Liabilities associated with assets classified as held for sale	31	1,166
		978,881	714,230
流動資產淨額	Net current assets	149,308	484,039
總資產減流動負債	Total assets less current liabilities	2,038,531	2,058,369

綜合財務狀況表(續)

Consolidated Statement of Financial Position (continued)

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
於二零一一年十二月三十一日
As at 31 December 2011

		附註 NOTES	2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
資本及儲備	Capital and reserves			
股本	Share capital	34	457,313	457,313
儲備	Reserves		1,246,949	1,206,043
擬派末期股息	Proposed final dividend		13,719	22,866
本公司所有人應佔權益	Equity attributable to owners of the Company		1,717,981	1,686,222
非控股權益	Non-controlling interests		39,807	38,010
總權益	Total equity		1,757,788	1,724,232
非流動負債	Non-current liabilities			
遞延所得稅負債	Deferred tax liabilities	35	5,570	2,871
貸款	Borrowings	33	213,321	275,528
遞延收入	Deferred income	36	61,852	55,738
			280,743	334,137
			2,038,531	2,058,369

第79頁至第171頁之綜合財務報表於二零一二年三月二十三日經董事會批准及授權公佈，並由以下人士代為簽署：

The consolidated financial statements on pages 79 to 171 were approved and authorised for issue by the board of directors on 23 March 2012 and are signed on its behalf by:

張代銘
董事

趙松國
董事

Zhang Daiming
Director

Zhao Songguo
Director

本公司所有人應佔
Attributable to owners of the Company

	股本	股份溢價	資本公積金	儲備基金	資產 可供出售之		其他儲備	匯兌儲備	保留盈利	股息儲備	總計	非控股權益	總計
					重估儲備	投資儲備							
	Share capital	Share premium	Capital reserve	Reserve funds	Asset revaluation reserve	Available-for-sale investment reserve	Other reserve	Exchange reserve	Retained earnings	Dividend reserve	Total	Non-controlling interests	Total
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(附註b)	(附註b)	(附註c)			(附註d)						
		(Note b)	(Note b)	(Note c)			(Note d)						
於二零一零年一月一日	457,313	466,618	78,642	177,317	25,850	150,201	481	340	264,875	22,866	1,644,503	36,318	1,680,821
年度全面收益總額						(36,113)		(601)	101,299		64,585	5,186	69,771
轉自保留盈利				6,548					(6,548)				
派付予非控股權益之股息												(3,494)	(3,494)
擬派二零一零年末期股息										(22,866)	(22,866)		(22,866)
Proposed 2010 final dividends									(22,866)	22,866			

綜合權益變動表(續)

Consolidated Statement of Changes in Equity (continued)

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

本公司所有人應佔 Attributable to owners of the Company

	股本	股份溢價類	資本公積金	儲備基金	資產 可供出售之		其他儲備	匯兌儲備	保留盈利	股息儲備	總計	非控股權益	總計
					重估儲備	投資儲備							
	Share capital	Share premium	Capital reserve	Reserve funds	Asset revaluation reserve	for-sale investment reserve	Other reserve	Exchange reserve	Retained earnings	Dividend reserve	Total	Non-controlling interests	Total
	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
		(附註b) (Note b)	(附註b) (Note b)	(附註c) (Note c)			(附註d) (Note d)						
於二零一零年 十二月三十一日 At 31 December 2010	457,313	466,618	78,642	183,865	25,850	114,088	481	(261)	336,760	22,866	1,686,222	38,010	1,724,232
年度全面收益總額 Total comprehensive income for the year	-	-	-	-	-	(19,188)	-	(562)	74,375	-	54,625	3,293	57,918
轉自保留盈利 Transfer from retained earnings	-	-	-	7,423	-	-	-	-	(7,423)	-	-	-	-
派付予非控股權益之股息 Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,496)	(1,496)
確認為分派之股息(附註13) Dividends recognised as distribution (Note 13)	-	-	-	-	-	-	-	-	-	(22,866)	(22,866)	-	(22,866)
擬派二零一一年末期股息 (附註13) Proposed 2011 final dividends (Note 13)	-	-	-	-	-	-	-	-	(13,719)	13,719	-	-	-
於二零一一年 十二月三十一日 At 31 December 2011	457,313	466,618	78,642	191,288	25,850	94,900	481	(823)	389,993	13,719	1,717,981	39,807	1,757,788

附註：

(a) 根據中華人民共和國(「中國」)有關法規及本公司之公司章程(「公司章程」)，除稅後溢利應按以下次序分派：

- (1) 彌補累計虧損；
- (2) 提取除稅後溢利之10%轉撥至法定盈餘公積金。當法定盈餘公積金金額達至註冊資本之50%，可不再提取；
- (3) 轉撥至經股東於股東大會通過之任意盈餘公積金；及
- (4) 向股東分派股息。

轉撥至法定盈餘公積金之金額應依據按中國會計準則編製之法定賬目中之除稅後溢利計算。

(b) 股份溢價賬及資本公積金

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

(c) 儲備基金

Notes:

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

- (1) make up accumulated losses;
- (2) transfer 10% of the profit after tax to the statutory surplus reserve. When the balance of the statutory surplus reserve reaches 50% of the registered capital, such transfers need not be made;
- (3) transfer to the discretionary surplus reserve an amount approved by the shareholders in general meetings; and
- (4) distribute dividends to shareholders.

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

(b) Share premium account and capital reserve

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

(c) Reserve funds

		法定盈餘公積金 Statutory surplus reserve (附註(i)) (note (i)) 人民幣千元 RMB'000	任意盈餘公積金 Discretionary surplus reserve (附註(ii)) (note (ii)) 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一零年一月一日	At 1 January 2010	115,771	61,546	177,317
轉自保留盈利	Transfer from retained earnings	6,548	-	6,548
於二零一零年十二月三十一日	At 31 December 2010	122,319	61,546	183,865
轉自保留盈利	Transfer from retained earnings	7,423	-	7,423
於二零一一年十二月三十一日	At 31 December 2011	129,742	61,546	191,288

綜合權益變動表(續)

Consolidated Statement of Changes in Equity (continued)

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

附註：(續)

(c) 儲備基金(續)

(i) 法定盈餘公積金

本集團每年須提取中國法定賬目之除稅後溢利(如依照中國會計準則編製之法定賬目中所呈報)之10%，轉撥至法定盈餘公積金，直至結餘達至註冊股本的50%。該公積金可用於彌補任何已產生之虧損或增加股本。除用作減少虧損外，任何其他用途不應導致公積金餘額低於註冊資本之25%。

(ii) 任意盈餘公積金

任意盈餘公積金乃自留存盈利中提取而建立。經股東於股東大會上批准後，公積金可用於減少任何已產生之虧損及增加股本。向公積金作出之任何轉撥亦須經股東於股東大會上批准。

(d) 其他儲備

其他儲備指自非控股股東收購附屬公司淨資產之已付代價之公允值與相關分佔該等淨資產之賬面值間之差額。

Notes: (Continued)

(c) Reserve funds (Continued)

(i) Statutory surplus reserve

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

(ii) Discretionary surplus reserve

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

(d) Other reserve

Other reserves represent the difference between the fair value of the consideration paid and the relevant share of carrying value of the subsidiaries' net assets acquired from the non-controlling interest shareholders.

綜合現金流量表

Consolidated Statement of Cash Flows

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
經營活動	OPERATING ACTIVITIES		
稅前溢利	Profit before tax	91,272	128,967
調整：	Adjustments for:		
土地使用權之預付	Amortisation of prepaid lease payments on		
租賃款項攤銷	land use rights	5,711	5,741
技術攤銷	Amortisation of technical know-how	—	117
物業、廠房及設備和	Depreciation for property, plant and equipment		
投資物業之折舊	and investment properties	129,016	120,285
銀行利息收入	Bank interest income	(2,206)	(2,631)
賠償收入	Compensation income	(7,907)	—
可供出售投資之股息收入	Dividend income from available-for-sale		
	investments	(1,899)	(2,994)
出售可供出售投資之收益	Gain on disposal of available-for-sale investments	—	(54)
出售聯營公司之收益	Gain on disposal of an associate	(1,967)	—
列為待出售之資產之	Impairment loss on assets classified		
減值虧損	as held for sale	—	3,987
財務費用	Finance costs	28,098	19,155
出售物業、廠房及	Loss on disposal of property, plant and		
設備之虧損	equipment	11,345	13,030
應佔聯營公司溢利	Share of profit of an associate	(5,141)	(5,260)
應收賬款及其他應收	Reversal of impairment loss on trade and		
款項之減值虧損撥回	other receivables	(216)	(691)
收回以前年度壞賬	Bad debts recover of trade and other receivables	—	(120)
撥回存貨撥備	Reversal of allowance for inventories	(8,890)	—
應收同系附屬公司	Impairment loss on amounts due from		
款項之減值虧損	fellow subsidiaries	—	12,474
應收賬款及其他應收	Impairment loss on trade and other receivables		
款項之減值虧損		51,681	1,602
免除應付款項	Waiver of trade payables	(1,586)	—
存貨撇減	Write-down of inventories	5,440	8,905
政府補助	Government grant	(29,259)	(12,545)
營運資金變動前之	Operating cash flows before movements		
經營現金流量	in working capital	263,492	289,968
存貨增加	Increase in inventories	(18,796)	(66,228)
應收賬款及其他應收	Increase in trade and other receivables		
款項增加		(57,815)	(61,569)
應收直接控股公司款項減少	Decrease in amount due from immediate		
	holding company	—	8,465
應收同系附屬公司款項增加	Increase in amounts due from fellow subsidiaries	(6,563)	(12,511)
貿易及其他應付	(Decrease) increase in trade and other payables		
款項(減少)增加		(4,890)	5,337
應付聯營公司款項增加	Increase (decrease) in amount due to an		
(減少)	associate	59	(496)
應付同系附屬公司	(Decrease) increase in amounts due to		
款項(減少)增加	fellow subsidiaries	(3,252)	6,087
經營產生之現金	Cash generated from operations	172,235	169,053
已付所得稅	Income tax paid	(25,055)	(30,041)
經營活動產生的現金淨額	NET CASH FROM OPERATING ACTIVITIES	147,180	139,012

綜合現金流量表(續)

Consolidated Statement of Cash Flows (continued)

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
投資活動	INVESTING ACTIVITIES		
支付在建工程款項	Payment for construction in progress	(376,376)	(111,746)
購入物業、廠房及設備	Purchases of property, plant and equipment	(63,690)	(55,494)
購入投資物業	Purchases of investment properties	(4,692)	(1,701)
已抵押銀行存款減少	Decrease in pledged bank deposits	4,717	1,516
土地使用權之預付 租賃款項增加	Increase in prepaid lease payments on land use rights	—	(36,200)
預付獲取土地使用權 之款項	Prepayments for acquisition of land use rights	(22,135)	(9,652)
出售聯營公司之所得款項	Proceeds from disposal of an associate	11,613	—
出售物業、廠房及設備之 所得款項	Proceeds from disposal of property, plant and equipment	1,695	7,132
收取聯營公司股息	Dividends received from an associate	—	3,000
已收取可供出售投資 之股息	Dividends received from available-for-sale investments	1,899	2,994
出售可供出售投資之 所得款項	Proceeds from disposal of available-for-sale investments	—	518
已收取銀行利息	Bank interest received	2,206	2,631
投資活動動用的現金淨額	NET CASH USED IN INVESTING ACTIVITIES	(444,763)	(197,002)
融資活動	FINANCING ACTIVITIES		
已收政府補助	Government grant received	35,373	17,627
新增貸款	New borrowings raised	564,940	180,000
償還貸款	Repayment of borrowings	(352,000)	(98,496)
已派付股息	Dividends paid	(21,367)	(15,086)
已派付非控股權益之股息	Dividends paid to non-controlling interests	(1,496)	(3,494)
已付利息	Interest paid	(27,971)	(18,889)
融資活動產生的現金淨額	NET CASH FROM FINANCING ACTIVITIES	197,479	61,662
現金及現金等價物(減少) 增加淨額	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(100,104)	3,672
於一月一日的現金及 現金等價物	CASH AND CASH EQUIVALENTS AT 1 JANUARY	368,070	364,398
於十二月三十一日的現金及 現金等價物(指銀行存款及 現金結餘)	CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	267,966	368,070

1. 一般資料

山東新華製藥股份有限公司(「本公司」)為於中國註冊的股份有限公司。本公司的H股於一九九六年十二月在香港聯合交易所有限公司(「聯交所」)上市，其A股則在一九九七年七月在深圳證券交易所上市。

本公司董事認為華魯控股集團有限公司及山東新華醫藥集團有限責任公司(「新華醫藥」)分別為本公司的最終控股公司及直接控股公司，兩家公司同為於中國成立的國營有限責任公司。

本公司註冊辦事處及主要營業地點的地址披露於本年報「公司資料」一節。

本綜合財務報表以人民幣呈列，人民幣亦為本公司的功能貨幣。

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

1. GENERAL

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

The directors of the Company regard Hualu Holdings Company Limited, a state-owned limited liability company established in the PRC, as the ultimate holding company and Shandong Xinhua Pharmaceutical Group Company Limited ("SXPGC"), a wholly state-owned limited liability company established in the PRC, as the immediate holding company.

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

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

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

2. 採用新訂及經修訂的香港財務報告準則

於本年度，本集團已採用下列由香港會計師公會頒佈之新訂及經修訂之準則、修訂本及詮釋（「詮釋」）（「新訂及經修訂之香港財務報告準則」）。

香港財務報告準則（修訂本）

HKFRSs (Amendments)

香港財務報告準則第1號（修訂本）

HKFRS 1 (Amendment)

香港會計準則第24號（經修訂）

HKAS 24 (Revised)

香港會計準則第32號（修訂本）

HKAS 32 (Amendment)

香港（國際財務報告詮釋委員會）—
詮釋第14號（修訂本）

HK(IFRIC)-INT 14 (Amendment)

香港（國際財務報告詮釋委員會）—
詮釋第19號

HK(IFRIC)-INT 19

香港會計準則第24號（二零零九年經修訂）—有關連人士披露

香港會計準則第24號（二零零九年經修訂）「關連方披露」修改了關連方之定義，並簡化了政府相關實體之披露。

由於本集團為一間政府相關實體，引入香港會計準則第24號（二零零九年經修訂）之披露豁免將對本集團構成影響。本集團和其他與政府相關的實體並無發生重大交易，因此修訂的準則對本集團的呈報沒有重大影響。

其他修訂準則的應用對集團本年度及以前年度的財務報告無任何重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Company has applied the following new and revised standards, amendments and interpretations (“INTs”) (herein collectively referred to as “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

香港財務報告準則（二零一一年）之改進，惟香港財務報告準則第3號（二零零八年經修訂）之修訂、財務報告準則第7號、香港會計準則第1號及香港會計準則第28號外

Improvements to HKFRSs issued in 2011 except for the amendments to HKFRS 3 (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28

首次採納者無需按照香港財務報告準則第7條披露比較資訊之有限豁免

Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters

關連方披露

Related Party Disclosures

供股的分類

Classification of Rights Issues

預付款項之最低資金要求

Prepayments of a Minimum Funding Requirement

以股本工具抵銷金融負債

Extinguishing Financial Liabilities with Equity Instruments

HKAS 24 Related Party Disclosures (as revised in 2009)

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in HKAS 24 (as revised in 2009) will affect the Group because the Group is a government-related entity. As the Group had no significant operating transactions with other government-related entities, the revised standards have no material impact on the Group's presentation.

The application of the other new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

2. 採用新訂及經修訂的香港財務報告準則 (續)

香港會計準則第24號(二零零九年經修訂) – 有關連人士披露 (續)

本集團並未提早應用下列已頒佈但尚未生效的新訂及經修訂準則、修訂本或詮釋。

香港財務報告準則第1號(修訂本)
HKFRS 1 (Amendment)

香港財務報告準則第7號(修訂本)
HKFRS 7 (Amendment)

HKFRS 7 (Amendment)

HKFRS 7 (Amendment)

香港財務報告準則第9號
HKFRS 9

香港財務報告準則第10號
HKFRS 10

香港財務報告準則第11號
HKFRS 11

香港財務報告準則第12號
HKFRS 12

香港財務報告準則第13號
HKFRS 13

香港會計準則第1號(修訂本)
HKAS 1 (Amendment)

香港會計準則第12號(修訂本)
HKAS 12 (Amendment)

香港會計準則第19號(2011年經修定)
HKAS 19 (Revised 2011)

香港會計準則第27號(2011年經修定)
HKAS 27 (Revised 2011)

香港會計準則第28號(2011年經修定)
HKAS 28 (Revised 2011)

香港會計準則第32號(修訂本)
HKAS 32 (Amendments)

香港(國際財務報告詮釋委員會)
— 詮釋第20號

HK(IFRIC)-INT 20

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKAS 24 Related Party Disclosures (as revised in 2009) (Continued)

The Group has not applied in advance the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

嚴重高通脹及剔除首次採納者之固定日期¹
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters¹

金融工具：披露—轉讓金融資產¹
Financial Instruments: Disclosures — Transfers of Financial Assets¹

披露—抵銷金融資產及金融負債⁴
Disclosures – Offsetting Financial Assets and Financial Liabilities⁴

香港財務報告準則第9號之強制生效日期及過渡披露⁶
Mandatory Effective Date of HKFRS 9 and Transition Disclosures⁶

金融工具⁶
Financial Instruments⁶

綜合財務報表⁴
Consolidated Financial Statements⁴

共同安排⁴
Joint Arrangements⁴

披露於其他實體之權益⁴
Disclosure of Interests in Other Entities⁴

公平值計量⁴
Fair Value Measurement⁴

財務報表呈報³
Presentation of Items of Other Comprehensive Income³

遞延稅項：收回相關資產²
Deferred Tax: Recovery of Underlying Assets²

僱員福利⁴
Employee Benefits⁴

獨立財務報表⁴
Separate Financial Statements⁴

於聯營公司及合營企業之投資⁴
Investments in Associates and Joint Ventures⁴

金融工具—呈列—抵銷金融資產及金融負債⁵
Offsetting Financial Assets and Financial Liabilities⁵

露天采礦場生產階段之剝采成本⁴
Stripping Costs in the Production Phase of a Surface Mine⁴

2. 採用新訂及經修訂的香港財務報告準則 (續)

香港會計準則第24號(二零零九年經修訂) – 有關連人士披露 (續)

- 1 於二零一一年七月一日或之後開始之年度期間生效。
- 2 於二零一二年一月一日或之後開始之年度期間生效。
- 3 於二零一二年七月一日或之後開始之年度期間生效。
- 4 於二零一三年一月一日或之後開始之年度期間生效。
- 5 於二零一四年一月一日或之後開始之年度期間生效。
- 6 於二零一五年一月一日或之後開始之年度期間生效。

香港財務報告準則第9號 – 金融工具

香港財務報告準則第9號金融工具於二零零九年十一月頒佈，並於二零一零年十月修訂，其引入關於金融資產及金融負債分類、計量及終止確認的新規定。

- 香港財務報告準則第9號規定，香港會計準則第39號金融工具：「確認及計量」範疇內的所有已確認金融資產應以攤銷成本或公允值計量。具體而言，以業務形式持有且旨在收取訂約現金流及擁有純粹用作支付未償還本金的本金及利息的訂約現金流的債務投資，一般應按攤銷成本於其後會計期間末計量。所有其他的債務投資及股權投資則於其後會計期間末以公允值計量。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKAS 24 Related Party Disclosures (as revised in 2009) (Continued)

- 1 Effective for annual periods beginning on or after 1 July 2011.
- 2 Effective for annual periods beginning on or after 1 January 2012.
- 3 Effective for annual periods beginning on or after 1 July 2012.
- 4 Effective for annual periods beginning on or after 1 January 2013.
- 5 Effective for annual periods beginning on or after 1 January 2014.
- 6 Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 採用新訂及經修訂的香港財務報告準則 (續)

香港財務報告準則第9號－金融工具 (續)

- 香港財務報告準則第9號對金融負債之分類及計量之最大影響乃與由金融負債(指定為按公允值計入損益)之信貸風險變動引起之金融負債公允值變動之會計處理有關。具體而言，根據香港財務報告準則第9號，對於指定為按公允值計入損益的金融負債，由金融負債之信貸風險變動引起之金融負債公允值變動金額於其他全面收益確認，除非於其他全面收益確認該項金融負債信貸風險變動的影響將會導致或擴大損益的會計錯配。由金融負債的信貸風險引起的公允值變動其後不會於損益重列。而之前根據香港會計準則第39號之規定，指定為按公允值計入損益之金融負債之所有公允值變動金額均於損益中確認。

香港財務報告準則第9號於二零一五年一月一日或之後開始之年度期間生效，並允許提早應用。

本公司董事預期，將於二零一五年一月一日開始之年度期間於本集團綜合財務報表中採納香港財務報告準則第9號，及應用新準則將對本集團金融資產及金融負債所呈報之金額構成重大影響。然而，直至詳細的審查完成前，對該等影響提供合理的估計並非切實可行。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 9 Financial Instruments (Continued)

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of the new standard will have a significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. 採用新訂及經修訂的香港財務報告準則 (續)

香港會計準則第1號修訂 — 其他全面收益項目的表述

香港會計準則第1號的修訂保留選項呈現在一個單獨的報表，或在兩個獨立但連續的報表於損益和其他全面收益表中。然而，香港會計準則第1號的修訂要求額外披露其他全面收益而其他全面收益項目分為兩類：

- (a) 項目將不會最後重新分類到損益；
- (b) 項目在滿足特定條件下可能最後被重新分類到損益。其他全面收益項目的所得稅須在同一基礎上分配。

香港會計準則第1號的修訂，會於二零一二年七月一日或之後開始之年度期間生效。其他全面收益項目的表述將在以後會計期間修訂時作相應的修改。

本公司董事預期，採納其他新準則、經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Other than disclosed above, the directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. 主要會計政策

誠如下文會計政策所述，綜合財務報表乃按歷史成本為基準而編製，惟物業、廠房及設備及若干金融工具按重估金額或公允值計量除外。歷史成本一般基於資產交換中代價之公允值。

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載列了根據聯交所的證券上市規則及香港公司條例規定的適用披露。

合併基準

綜合財務報表包括本公司及本公司所控制的實體（其附屬公司）的財務報表。在本公司有權控制該實體的財務及營運政策並從其業務獲益時，本公司已取得其控制權。

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

倘必要，本集團會對附屬公司的財務報表作出調整，使其會計政策與本集團其他成員公司所採用的會計政策保持一致。

所有集團內交易、結餘、收入及費用均於合併時對銷。

於附屬公司的非控股權益乃與本集團的權益區分呈列。

分配全面收益總額至非控股權益

附屬公司的綜合全面收益與開支會分配予公司擁有人及非控股權益，即使這將導致非控股權益金額為負數（從二零一零年一月一日起生效）。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for property, plant and equipment and certain financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

Basis of consolidation

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

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

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance (effective from 1 January 2010 onwards).

3. 主要會計政策 (續)

合併基準 (續)

本集團於現有附屬公司之擁有權益變動

本集團於附屬公司之擁有權益變動若無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額以及已付或已收代價之公平值間之任何差額直接於權益確認，並歸屬於本公司擁有人。

當本集團失去一家附屬公司之控制權時，集團將會(i)在失去控制權之日起終止確認附屬公司的資產(包括任何商譽)和負債之其賬面金額；及(ii)在失去控制權的日期時終止確認前附屬公司的任何非控股權益的賬面金額(包括任何與他們有關之其他全面收入)，(iii)確認收取代價的公平值及任何保留權益的公平值的總和，及任何差異確認於本集團應佔的收益或損失於損益表。倘該附屬公司若干資產按重估金額或公平值計量，而相關累計損益已於其他全面收益確認及於權益累計，則原先於其他全面收益確認及於權益累計之金額按猶如本集團已直接出售相關資產入賬(即根據適用香港財務準則重分類至損益或直接轉往保留盈利)。前附屬公司中之任何保留投資於失去控制權當日之公平值，根據香港會計準則第39號「金融工具：確認及計量」視作初步確認時之公平值，以供隨後會計處理，或(如適用)於初步確認聯營公司或一家共同控制實體投資時視作成本。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. 主要會計政策 (續)

於聯營公司的權益

聯營公司為投資者可對其行使重大影響力，且並非附屬公司或於合營企業之權益之實體。重大影響為有權參與受投資方之財務及營運決策，惟並非控制或共同控制該等決策。

聯營公司之業績、資產與負債乃按權益會計法納入綜合財務報表內，當投資被分類為列為待出售之資產除外（其按照香港財務報告準則第5號「待出售之非流動資產及終止經營」入賬）。根據權益法，於聯營公司之投資乃按成本另就本集團應佔聯營公司之資產淨值於收購後之變動調整，減任何已識別減值虧損列於綜合財務狀況表。當本集團攤佔聯營公司之虧損等同或超過其於該聯營公司之權益（包括實質上構成本集團於該聯營公司之投資淨額之一部分之任何長期權益），本集團不再繼續確認其應佔之進一步虧損，會就額外應佔之虧損作出撥備，並確認負債，惟僅以本集團已招致之法定或推定責任或代表該聯營公司支付之款項為限。

任何收購成本超出本集團應佔於收購日期確認之聯營公司可識別資產及負債之公平淨值之差額確認為商譽，其中已包括在投資的賬面價值中。

本集團應佔可識別資產、負債及或然負債淨公平值超出收購成本之任何差額，在重新評估後即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale (in which case it is accounted for under HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations). Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investments in associates), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

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

3. 主要會計政策 (續)

於聯營公司的權益 (續)

香港會計準則第39號之規定適用於釐定有否需要就本集團於聯營公司之投資確認任何減損。如有需要，投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」作為單一資產進行減值測試，方法為將可收回金額(即使用價值與公平值減銷售成本之較高者)與賬面值作比較。任何已確認之減損構成投資賬面值之一部分。倘其後投資之可收回金額增加，則根據香港會計準則第36號確認該減損之撥回。

倘出售聯營公司會導致本集團失去對該聯營公司的重大影響力，則任何保留投資會按當日之公平值計量，並以其根據國際會計準則第39號初步確認為金融資產之公平值作其公平值。先前已保留權益應佔聯營公司賬面值與其公平值之間之差額，乃於釐定出售該聯營公司之收益或虧損時計入。此外，本集團將先前於其他全面收益就該聯營公司確認之所有金額入賬，基準與倘該聯營公司直接出售相關資產或負債時所規定之基準相同。因此，倘該聯營公司先前已於其他全面收益確認收益或虧損，則將於出售相關資產或負債時重新分類至損益，當本集團失去對該聯營公司之重大影響力時，本集團將收益或虧損由權益重新分類至損益(作為重新分類調整)。

倘本集團旗下實體與本集團之聯營公司進行交易，則以本集團在有關聯營公司之權益為限於綜合財務報表中撤銷損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the interest in the associate that are not related to the Group.

3. 主要會計政策 (續)

待出售之非流動資產

非流動資產被分類為列為待出售之資產的條件為：其賬面值將主要通過出售交易收回，而不是通過繼續使用。當出售極有可能發生以及資產能在現有條件下直接出售時，該條件即被視為符合。管理層必須對出售作出承諾，出售預期合資格確認為自分類日起一年內已完成出售。

當本集團致力於一項銷售計劃涉及損失一間附屬公司的控制權，當上述標準都滿足時，該附屬公司的資產和負債將被列為持作出售，不論本集團在出售後是否在其前附屬公司保留非控股利益。

分類作待出售之非流動資產乃按資產過往賬面值與公允值減出售成本中之較低者計量。

收入確認

收入按已收或應收代價的公允值計量。此金額指在日常業務中出售貨品的款項，並已扣除折扣及與銷售有關的稅項。

於達到上述收入確認標準之前，自客戶收取之按金及分期付款乃計入綜合財務狀況表的流動負債項下。

銷售貨品之收入乃於交付貨品及業權轉移時予以確認。

金融資產的利息收入於經濟利益有可能流入本集團且收入金額能可靠地計量時確認。金融資產產生之利息收入乃參照尚未償還本金額及按所適用之實際利率按時間基準累積計算，而實際利率為於金融資產之預計可用年期內將估計日後現金收入準確折讓至該資產初步確認之賬面淨值之比率。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

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

Revenue recognition

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

Deposits and instalments received from customers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Revenue from sales of goods is recognised when the goods are delivered and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 主要會計政策(續)

收入確認(續)

投資產生之股息收入乃當股東收取股息之權利確立時確認。

租金收入乃根據本集團經營租賃之會計政策確認(見下文會計政策)。

物業、廠房及設備

物業、廠房及設備(包括用於生產或提供商品或服務,或為了行政管理目的而持有的樓宇(在建工程除外))按其重估金額,即重估當日的公允價值減其後任何累計折舊及其後任何累計減值虧損,列賬於綜合財務狀況表。資產價值重估會定期進行,以使其賬面值與其在報告期末採用公允價值所釐定的金額不會出現重大差異。

重估物業、廠房及設備產生之任何重估增值於其他全面收益內確認,並計入資產重估儲備內,惟撥回過往於損益內確認之相同資產之重估減值則除外,在此情況下,增值計入損益,惟以過往扣除之減幅為限。重估一項資產產生之賬面淨值減少於損益中確認,直至其超過與該資產過往重估有關之資產重估儲備結餘(如有)為止。

重估物業、廠房及設備產生之折舊計入當期損益。

折舊乃按物業、廠房及設備項目(除在建工程外)之估計可使用年期並計及其估計剩餘價值以直線法撇銷其公允價值。

在建工程包括正在修建用於生產或自用之物業、廠房及設備。在建工程按成本減任何已確認之減值虧損列賬。在建工程於完成及可用於擬定用途時乃分類至適當類別之物業、廠房及設備。當該等資產可用於擬定用途時,則按其他物業資產相同基準開始折舊。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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

Rental income is recognised in accordance with the Group's accounting policy for operating lease (see the accounting policy below).

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on revaluation of property, plant and equipment is recognised in other comprehensive income and accumulated in assets revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the assets revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued property, plant and equipment is recognised in profit or loss.

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

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生之任何日後經濟利益時終止確認。終止確認資產時產生之任何收益或虧損(按該項目之出售所得款項淨額與其賬面值之差額計算)於該項目終止確認之期間計入損益。

租賃土地及在建樓宇乃由所有人日後所佔用

就作生產或行政管理用途之發展中租賃土地及樓宇而言，租賃土地之部分乃分類為土地使用權之預付租賃款項，並於租賃期間內以直線法攤銷。於建造期間，就租賃土地而計提之攤銷費用乃計入在建樓宇成本之一部分。在建樓宇乃按成本減任何已識別減值虧損列賬。當該等樓宇可投入使用時，則開始計提折舊(即於其足以達致管理層擬定之方式營運下之所需位置及狀況時開始計提折舊)。

投資物業

投資物業乃為用於賺取租金及/或增值而持有的物業。

於初步確認時，投資物業按成本計量，包括任何直接應佔支出。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊乃按投資物業之估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production or for administrative purposes and the leasehold land component is classified as a prepaid lease payment on land use rights, the leasehold land is amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/ or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

3. 主要會計政策 (續)

租約

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

本集團作為出租人

經營租約的租金收入乃按相關租約年期以直線法於損益內確認。

本集團作為承租人

經營租約款項乃於有關租約年期以直線法確認作一項費用。

自用之租賃土地

當租賃包括土地及樓宇部分二者，則本集團將單獨評估各部分分類為融資租賃或經營租賃，依據是否各部分附隨所有權之主要風險及回報已轉入本集團。尤其是，最低租賃款項（包括任何一次性預付款）乃於土地及樓宇部分間在租賃開始時按比例就租賃土地部分及樓宇部分相關租賃權益的公平值進行分配。當租賃款項於土地及樓宇部分間不能可靠分配，則全部租賃一般分類為融資租賃，並作為物業、廠房及設備入賬。

倘租賃款項能可靠分配，則於租賃土地權益列賬作經營租賃乃指於綜合財務狀況表的土地使用權預付款項，並以租期按直線基準攤銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specially, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as operating lease and presented as prepaid lease payments on land use rights in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

3. 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣（外幣）進行之交易按交易日期適用之匯率（即該實體經營業務所在主要經濟環境之貨幣）列賬。於報告期間結算日，以外幣結算之貨幣項目按結算日適用之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日適用之匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

清償貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間在損益內確認。重新換算非貨幣項目產生的匯兌差額按公允值列賬，並計入期內的損益賬。

就呈列綜合財務報表而言，本集團海外業務的資產與負債乃按報告期末之現行匯率換算為本集團之功能貨幣（即人民幣），而其收入及費用則按年內之平均匯率進行換算。產生匯兌差額（倘有）則於其他全面收益中確認，並於權益下以匯兌儲備累計（於適當時撥作非控股權益）。

於出售海外業務時（例如出售本集團於海外業務的所有權益，或出售一間涉及海外業務的附屬公司而喪失控制權時），就本公司所有人應佔之業務於權益累計之所有匯兌差額重新列入損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange difference arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 主要會計政策 (續)

借貸成本

收購、興建或生產合資格資產(即需長時間準備以達致其擬定用途或可供出售之資產)直接應佔借貸成本將計入該等資產成本中，直至該資產大致可供用作擬定用途或出售為止。就開支用合資格資產前作短暫投資之特定借貸所賺取投資收入，自合資格撥充資本之借貸成本扣除。

所有其他借貸成本均於其產生期間於損益內確認。

政府補助

在合理地保證本集團會遵守政府資助的附帶條件以及將會得到資助後，政府資助方會予以確認。

政府補助乃就本集團確認之有關費用(預期補助可予抵銷成本費用)期間按系統化之基準於損益中確認。與可予折舊的資產有關的政府補助乃於綜合財務狀況表內確認作遞延收入，並於有關資產之可使用年期轉撥至損益表。其他政府補助於需要將其與擬作補償用途的補助金的成本相匹配的期間，系統地確認為收入。

日後並無有關成本的應收政府補助(作為已產生的費用或虧損的補助金，或為了向本集團提供即時財政資助的補償金)於其可以收取時於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策 (續)

退休福利成本

國營退休福利計劃款項於僱員就提供服務而使其享有供款時列作費用。

稅項

所得稅費用乃指現時應繳稅項及遞延稅項。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入收益表中毋須課稅或不獲扣稅項目，故有別於綜合全面收益表所報溢利。本集團有關現行稅項之責任按於結算日已實施或大致上已實施之稅率計算。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額確認。所有暫時應課稅差額一般都會確認為遞延稅項負債，惟遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額予以確認。但倘若有關暫時差額是由商譽又或由初步確認(非業務合併)既不影響應課稅溢利亦不影響會計溢利的交易的其他資產和負債所引起，則不會確認該等資產和負債。

遞延稅項負債乃就於附屬公司及聯營公司之投資及於合營企業之權益所產生之暫時應課稅差額確認，惟倘本集團能控制暫時差額之撥回以及暫時差額有機會不會於可見將來撥回除外。可扣減暫時差額產生之遞延稅項資產(與該等投資及權益有關)僅於可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回之情況下予以確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

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

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產賬面值於報告期間結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項資產及負債乃按照於報告期間結算日已實施或大致實施之稅率及稅法，於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。

遞延所得稅負債和資產之計量反映在報告期間結束時本集團預期將來能收回或支付有關資產和負債賬面值之稅務影響。

即期稅項及遞延稅項於損益賬確認，惟當其與在其他全面收入中或直接於權益中確認之項目相關，則即期及遞延稅項亦於其他全面收入中或直接於權益中確認。若即期稅項或遞延稅項因業務合併的初始會計處理產生的，則稅務影響計入業務合併的賬目內。

無形資產

單獨購進之有限可使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。有限可使用年期的無形資產的攤銷乃於其估計可使用年期內以直線法計提撥備。估計可使用年期及攤銷方法乃於各報告期末檢討，估計變動之影響按預先計提之基準入賬（請參考以下有關有形資產及無形資產之減值虧損的主要會計政策）。

技術

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Technical know-how

Expenditure on technical know-how acquired is capitalised and amortised using straight-line method over their useful lives, but not exceeding 20 years. Technical know-how is not revaluated.

3. 主要會計政策 (續)

無形資產 (續)

研究及開發費用

研究活動之費用於其產生期內被確認為費用。

倘(且僅倘)出現所有下列情況，開發(或內部項目的開發階段)產生的內部產生無形資產方會被確認：

- 完成無形資產以使該無形資產可供使用或出售之技術可行性；
- 完成無形資產及使用或出售該無形資產之意圖；
- 使用或出售無形資產之能力；
- 無形資產如何產生日後可能之經濟利益；
- 充足的技術、財政及其他資源以完成開發及使用或出售無形資產之可能性；及
- 可靠的計量無形資產於開發期間應佔費用之能力。

就內部產生無形資產而初步確認之金額乃為該無形資產首次符合上述確認標準當日起所產生之費用。倘內部產生的無形資產不能獲確認，則開發支出乃於其產生期間自損益賬中扣除。

初步確認後，內部產生無形資產乃按成本減累計攤銷及累計減值虧損(倘有)，並根據與單獨購入無形資產相同之基準計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Research and development expenditure

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

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

3. 主要會計政策 (續)

存貨

存貨乃以成本及可變現淨值(兩者之較低者)入賬。成本乃以加權平均法計算。可變現淨值乃按估計售價，減去估計完成及出售將產生的任何成本而計算。

現金及現金等價物

綜合財務狀況表中的銀行存款及現金結餘包括銀行及手頭現金以及三個月或三個月以內到期的短期存款。就綜合現金流量表而言，現金及現金等價物包括上述定義的現金及短期存款。

金融工具

本集團旗下實體成為金融工具合約條文之訂約方時，於綜合財務狀況表確認金融資產及金融負債。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債產生之直接應佔交易成本，於初步確認金融資產或金融負債之公平值加入或扣除(視適用情況而定)。收購按公平值計入損益之金融資產或金融負債時產生之直接應佔交易成本即時於損益確認。

金融資產

本集團之金融資產分為兩個類別之其中一個，包括貸款及應收款項及可供出售金融資產。分類視乎金融資產的性質及用途而定，乃按首次確認時釐定。所有定期購買或出售金融資產於交易日確認及終止確認。定期購買或出售乃購買或出售金融資產，並要求於市場上按規例或慣例設定之時限內交付資產。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short-term deposits as defined above.

Financial instruments

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

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

實際利率法

實際利率法計算是以攤銷成本計量的金融資產和分配有關期間的利息收入的方法。實際利率折現估計未來現金收入(包括支付或收取的所有費用率, 形成一個組成部分的實際利率, 交易成本及其他溢價或折讓)通過金融資產的預期壽命, 或在適當的情況下, 在初始確認時的賬面淨值的較短期間。

債務工具之利息收入乃按實際利率基準確認。

貸款及應收款項

貸款及應收款項乃於活躍市場無報價之固定或可釐定付款之非衍生金融資產。於初步確認後, 貸款及應收款項(包括應收賬款及其他應收款項、應收直接控股公司款項、應收同系附屬公司款項、已抵押銀行存款及銀行存款及現金結餘)均採用實際利率法按攤銷成本減任何已識別減值虧損入賬(見下文金融資產減值的會計政策)。

利息收入乃採用實際利率法確認, 惟短期應收賬款利息確認不重要。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from fellow subsidiaries, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產

可供出售金融資產為指定或並未分類為按公允值計入損益之金融資產、貸款及應收款項或持至到期之投資之非衍生工具。

於報告期末，可供出售金融資產按公允值計算。公允值之變動於其他全面收益內確認，並計入可供出售投資儲備，直至該金融資產被出售或決定有所減值，屆時過往計入可供出售投資儲備之累計收益或虧損會重新列入損益賬（見下文金融資產減值的會計政策）。

就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公允值未能可靠的計算，及與該等無報價之股本工具有關並須以交付該等工具結算之衍生工具，則可供出售之股本投資於報告期末按成本減任何已識別減值虧損計算（見下文金融資產減值的會計政策）。

金融資產減值

金融資產於報告期末就出現的減值跡象進行評估。倘有客觀證據顯示因金融資產初步確認後發生的一項或多項事件影響金融資產的估計未來現金流量，則金融資產會出現減值。

就可供出售股本投資而言，該投資的公允值大幅或持久下跌至其成本以下即被視為減值的客觀證據。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in available-for-sale investment reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the available-for-sale investment reserve is reclassified to profit or loss (see accounting policy on impairment of financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就所有其他金融資產而言，減值的客觀證據可包括：

- 發行人或對手方的重大財務困難；或
- 逾期支付或拖欠利息或本金；或
- 借款人有可能會破產或進行財政重組；或
- 因財政困難而導致某項金融資產失去活躍市場。

就若干類別的金融資產（比如應收賬款）而言，不會單獨進行減值評估的資產會於其後以整體方式評估其有否減值。應收款項組合出現減值的客觀證據包括本集團收回款項的過往經驗，組合中已超出平均信貸期三十天至九十天之未能繳款次數增加，與欠款有關的國內或地區經濟狀況的顯著變動。

對於按攤銷成本列賬的金融資產，當有客觀證據證明資產已減值，則於損益賬中確認減值虧損，且其減值以資產賬面值與估計未來現金流量的現值（按原來的實際利率折現）間的差額計量。

就按成本計值的金融資產而言，減值虧損的數額以資產的賬面值與估計未來現金流量的現值（按類似金融資產的當前市場回報率折現）間的差額計量。該等減值虧損不會於其後期間撥回。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becomes probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables that are assessed not to be impaired individually are, in addition assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

金融資產的賬面值直接扣除所有金融資產的減值虧損，惟使用撥備賬扣減賬面值的應收款項、其他應收款項、應收直接控股公司款項及應收同系附屬公司款項除外。撥備賬的賬面值變動於損益中確認。當應收款項及其他應收款項被認為屬不可收回的，則撇減至撥備賬。其後收回先前撇減的數額則計入損益。

當一項可供出售之投資被認為減值時，在其他綜合收益表中以前累計確認的收益或虧損重分類至當期損益。

就按已攤銷成本計量之金融資產而言，如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟於減值被撥回當日，該資產的賬面值不得超過未確認減值時之已攤銷成本。

可供出售股本投資之減值虧損不會於往後期間於損益撥回。減值虧損其後增加之公允值會於其他全面收益直接確認，並累計於可供出售投資儲備。

金融負債及股本工具

本集團旗下實體發行之金融負債及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

股本工具為體現本集團資產經扣除所有負債後餘下權益之任何合約。由本集團發行的股本工具在已收所得款項扣除直接發行成本後確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables and amounts due from fellow subsidiaries where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When the receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit or loss.

When an available-for-sale investment is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investment will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in available-for-sale investment reserve.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法是一種計算相關期間內金融負債之攤銷成本以及分配利息支出之方法。實際利率是一種在金融負債之預計年期或(如適用)更短期間內能夠精確計算預計未來現金付款折現額(包括支付或收取的所有費用率,形成一個組成部分的實際利率,交易成本及其他溢價或折讓)之利率。利息費用按實際利率基準確認。

金融負債

金融負債包括應付賬款及其他應付款項、應付股利、應付同系附屬公司款項、應付聯營公司款項及貸款,其後採用實際利率法按已攤銷成本計量。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本後入賬。

終止確認

當自資產收取現金流量之權利屆滿,或該項金融資產已轉讓且本集團已大體上轉移該金融資產所有權之全部風險及回報,該金融資產即被終止確認。倘本集團並未轉移亦未保留所有權的絕大部份風險及回報,並繼續控制已轉移資產,則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團仍保留已轉移金融資產的所有權的絕大部份風險及回報,本集團將繼續確認該金融資產以及確認已收所得款項的有抵押借款。於終止確認整項金融資產時,有關資產賬面值及已收代價之和,與已於其他全面收益確認之累計收益或虧損之差額乃於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, dividend payables, amounts due to fellow subsidiaries, amount due to an associate and borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 主要會計政策 (續)

金融工具 (續)

終止確認 (續)

於剔除確認整體金融資產時，資產賬面值與已收及應收代價及已於其他全面收入確認及累計入權益之累計收益或虧損之總和間之差額於損益確認。

金融負債會於有關合約所指定責任遭免除、註銷或屆滿時剔除確認。剔除確認之金融負債賬面值與已付或應付代價間之差額於損益確認。

有形資產及無形資產之減值虧損

本集團於報告期末檢閱其有形及無形資產之賬面值，以釐定該等資產是否有減值虧損之任何跡象。倘存在任何該等跡象，為了釐定減值虧損的範圍(如有)，則會估計資產之可收回金額。

倘不可能估計個別資產之可收回金額，則本集團估算資產所屬現金產生單位之可收回金額。如有合理及一致的分配方法，集團的資產亦會分配至個別的現金產生單位，或以該合理及一致的分配方法將現金產生單位分配至最小的組別。

可收回金額指公允值減出售成本與使用價值兩者之較高者。在評估使用價值時，估計日後現金流量乃折舊至彼等使用除稅前折舊率計算之現值，以反映貨幣時間價值之現行市場評估及特別關於並無調整日後現金流量之估算之風險。

倘一項資產(或現金產生單位)之可收回金額預計少於其賬面值，則該資產(或現金產生單位)之賬面值會減至其可收回金額。減值虧損即時會在損益表中確認為費用，除非相關資產按另一種準則重估，在此情況下，減值虧損被視為該項準則項下之重估減值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

Impairment losses on tangible assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

3. 主要會計政策 (續)

有形資產及無形資產之減值虧損 (續)

倘減值虧損隨後撥回，該資產(或現金產生單位)之賬面值增加至重新估計之可收回金額，惟倘該資產(或現金產生單位)並無於過去年度確認減值虧損，已增加之賬面值不超過已釐定之賬面值。減值虧損之撥回即時在損益表中確認為收入，除非相關資產按另一種準則重估，在此情況下，減值虧損之撥回被視為該項準則項下之重估增值。

4. 關鍵會計判斷及估計不確定性之主要來源

於應用本集團之會計政策時(詳情載於附註3)，本公司之董事須對該等不能由其他現有及明顯途徑獲得之資產及負債之賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及其他被視為有關之因素而作出。實際結果可能與該等估計存在差異。

估計及相關假設會持續進行檢討。會計估計之修訂將在估計修訂期間(倘修訂僅影響該期間)或者修訂期間及未來期間(倘該等修訂影響當前及未來期間)予以確認。

應用實體會計政策所作的主要判斷

除涉及估計者(見下文)外，以下為本公司董事在應用實體的會計政策過程中作出的主要判斷，該等判斷對在綜合財務報表確認的金額造成非常重大影響：

樓宇、土地使用權及投資物業的所有權

儘管本集團已分別悉數支付附註19(a)、21及22(b)所詳述的購買代價，有關政府部門尚未授予本集團可使用樓宇、土地及投資物業的若干正式業權權利。董事認為，未獲取該等樓宇、土地使用權及投資物業的正式業權不會令本集團有關資產的價值出現減值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible assets and intangible assets (Continued)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Group's accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Ownership of the buildings, land use rights and investment properties

Despite the Group has paid the full purchase consideration as detailed in notes 19(a), 21 and 22(b) respectively, formal titles of certain of the Group's rights to the use of the buildings, lands and investment properties were not yet granted from the relevant government authorities. In the opinion of the directors of the Company, the absence of formal titles to these buildings, land use rights and investment properties do not impair the value of the relevant assets to the Group.

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源

以下為就未來所作之主要假設及於報告期末之估計不明朗性之其他主要來源，該等假設將導致下一個財政年度之資產及負債賬面值面臨重大調整之重大風險。

所得稅

於二零一一年十二月三十一日，於本集團的綜合財務狀況表中就可抵扣暫時性差異確認了人民幣16,588,000元(二零一零年：人民幣3,418,000元)的遞延所得稅資產。大約人民幣173,000元(二零一零年：人民幣125,000元)的稅項虧損由於未來溢利趨勢之不可預測性而未確認相應的遞延所得稅資產。遞延所得稅資產的實現主要依賴未來可用的足夠溢利或應納稅暫時性差異。一旦未來實際產生的溢利低於預期，則可能大量轉回原已確認的遞延所得稅資產，並於轉回期間確認為損益。

物業、廠房及設備之折舊

物業、廠房及設備於計及其估計剩餘價值後，按其估計可使用年期以直線法折舊。可使用年期及剩餘價值之釐定與管理層之估計有關。本集團每年對物業、廠房及設備之可使用年期進行重估，倘預期與原本估計不同，則有關差異可能對本年度之折舊帶來影響，而未來期間之估值將發生改變。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income taxes

As at 31 December 2011, a deferred tax asset of RMB16,588,000 (2010: RMB3,418,000) in relation to deductible temporary differences has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax loss of approximately RMB173,000 (2010: RMB125,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Depreciation of property, plant and equipment and investment properties

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

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

物業、廠房及設備、在建工程、土地使用權及投資物業之減值虧損

當情況或環境變化顯示物業、廠房及設備、在建工程、土地使用權及投資物業之賬面值可能無法收回時，將對其作減值檢討。可收回金額乃按使用價值計算方法釐定，並會參考最新市場訊息及過往經驗。該等計算及估值需要運用判斷與估計。

列為待出售之資產之減值虧損

倘於任何情況或變動下有跡象顯示出售一項資產之公允值減出售成本預期將少於其賬面值，則須就列為待出售之資產進行減值測試。慮及最新市場資料及過往經驗，公允值減出售成本已基於貼現現金流量之計算而釐定。該等計算及估值須使用判斷及估計。

應收賬款及其他應收款項及應收同系附屬公司款項之減值虧損

本集團根據經審閱客戶之當前信用資料所得出之過往付款記錄及現時信譽對客戶進行持續信譽評估，並調整其信貸限額。本集團亦持續監控客戶之回款狀況，並按過往經驗及已確認任何個別客戶之回款情況而就估計信貸虧損計提撥備。信貸虧損一直在本集團管理層預料之中，而本集團會繼續監控客戶之回款情況並將估計信貸虧損維持在適當水準。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment loss of property, plant and equipment, construction in progress, land use rights and investment properties

Property, plant and equipment, construction in progress, land use rights and investment properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations, taking into account latest market information and past experience. These calculations and valuations require the use of judgements and estimates.

Impairment loss of assets classified as held for sale

Assets classified as held for sale are reviewed for impairment whenever events or changes in circumstances indicate that the fair value less cost to sale of an asset is estimated to be less than its carrying amount. The fair value less cost to sale have been determined based on discount cash flows calculations, taking into account latest market information and past experience. These calculations and valuations require the use of judgements and estimates.

Impairment loss of trade and other receivables and amounts due from fellow subsidiaries

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

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

應收賬款及其他應收款項及應收同系附屬公司款項之減值虧損 (續)

於二零一一年十二月三十一日，應收賬款的賬面值約為人民幣340,203,000元 (扣除呆賬撥備約人民幣53,328,000元) (二零一零年：賬面值約人民幣306,256,000元，扣除呆賬撥備約人民幣1,979,000元)。

於二零一一年十二月三十一日，其他應收款項的賬面值約為人民幣49,153,000元 (扣除呆賬撥備約人民幣9,244,000元) (二零一零年：賬面值約人民幣69,707,000元，扣除呆賬撥備約人民幣9,128,000元)。

於二零一一年十二月三十一日，應收同系附屬公司款項的賬面值約為人民幣6,600,000元 (扣除呆賬撥備約人民幣12,474,000元) (二零一零年：賬面值約人民幣37,000元，扣除呆賬撥備約人民幣12,474,000元)。

存貨之減值虧損

本集團管理層於各報告期末檢討存貨之賬齡，並對確認為不再適合用於生產或不可在市場上銷售之過時及滯銷庫存品計提撥備。管理層主要依據最近期之發票價格及當前市況來估計此等項目之可變現淨值。本集團於各報告期末對每種產品進行盤點，並對過時貨品作出撥備。倘實際未來現金流量低於預期，則可能產生重大減值虧損。年內，本集團撥回存貨撥備約人民幣8,890,000元 (二零一零年：無) 及計提存貨撥備約人民幣5,440,000元 (二零一零年：人民幣8,905,000元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment loss of trade and other receivables and amounts due from fellow subsidiaries (Continued)

As at 31 December 2011, the carrying amount of trade receivables is approximately RMB340,203,000 (net of allowance of doubtful debts of approximately RMB53,328,000) (2010: carrying amount of approximately RMB306,256,000, net of allowance for doubtful debts of approximately RMB1,979,000).

As at 31 December 2011, the carrying amount of other receivables is approximately RMB49,153,000 (net of allowance of doubtful debts of approximately RMB9,244,000) (2010: carrying amount of approximately RMB69,707,000, net of allowance for doubtful debts of approximately RMB9,128,000).

As at 31 December 2011, the carrying amount of amounts due from fellow subsidiaries is approximately RMB6,600,000 (net of allowance of doubtful debts of approximately RMB12,474,000) (2010: carrying amount of approximately RMB37,000, net of allowance for doubtful debts of approximately RMB12,474,000).

Impairment loss of inventories

The management of the Group reviews the aging of the inventories at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production nor saleable in the market. The management estimates the net realisable value for such items based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year, the Group reversed the allowance of inventories of approximately RMB8,890,000 (2010: nil) and write down of inventories of approximately RMB5,440,000 (2010: RMB8,905,000).

5. 收入

本集團主要從事化學原料藥、製劑（例如：藥片及注射液）、化工及其他產品的開發、製造及銷售以及商業流通。

5. REVENUE

The Group principally engaged in the development, production and sales of bulk pharmaceutical, preparations (e.g. tablets and injections), chemical and other products, and commerce circulations.

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
收入 — 銷售產品	Revenue - Sales of goods	<u>2,917,860</u>	<u>2,589,447</u>

6. 分部資料

本集團根據向本公司董事會（即主要經營決策者）報告之資料劃分經營分部，旨在向分部分配資源及評估專注於所供應貨品之類別的分部表現。所供應貨品之主要類別為化學原料藥、製劑、化工以及其他產品及商業流通。根據香港財務報告準則第8號之規定，本集團之可呈報分部如下：

6. SEGMENTAL INFORMATION

The Group's operating segments, based on information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods supplied. The principal types of goods supplied are bulk pharmaceuticals, preparations, chemical and other products and commerce circulations. The Group's reportable segments under HKFRS 8 are as follows:

化學原料藥：	開發、製造及銷售化學原料藥
製劑：	開發、製造及銷售製劑（例如：藥片及注射液）
化工及其他產品：	製造及銷售化工及其他產品
商業流通：	醫藥產品貿易（包括零售與批發）

Bulk pharmaceuticals:	Development, production and sales of bulk pharmaceuticals
Preparations:	Development, production and sales of preparations (e.g. tablets and injections)
Chemical and other products:	Production and sales of chemical and other products
Commerce circulations:	Trading of pharmaceutical products (including retail and wholesale)

有關上述分部之資料呈報如下。

Information regarding the above segments is reported below.

綜合財務報表附註

Notes to the Consolidated Financial Statements

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

6. 分部資料 (續)

分部收入及業績

以下為本集團按可呈報分部劃分之收入及業績分析。

截至二零一一年十二月三十一日止年度

6. SEGMENTAL INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 December 2011

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	對銷 Eliminations 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
收入	REVENUE						
外部銷售	External sales	1,491,589	553,395	734,364	138,512	—	2,917,860
分部間銷售	Inter-segment sales	11,077	346,344	58,129	275,781	(691,331)	—
總計	Total	<u>1,502,666</u>	<u>899,739</u>	<u>792,493</u>	<u>414,293</u>	<u>(691,331)</u>	<u>2,917,860</u>
分部溢利	Segment profit	<u>112,741</u>	<u>17,220</u>	<u>(39,034)</u>	<u>10,208</u>		101,135
未分配的收益	Unallocated income						50,440
未分配的費用	Unallocated expenses						(37,346)
財務費用	Finance costs						(28,098)
應佔聯營公司溢利	Share of profit of an associate						<u>5,141</u>
除稅前溢利	Profit before tax						<u><u>91,272</u></u>

6. 分部資料(續)

分部收入及業績(續)

截至二零一零年十二月三十一日止
年度

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	對銷 Eliminations 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
收入	REVENUE						
外部銷售	External sales	1,312,077	510,628	686,481	80,261	—	2,589,447
分部間銷售	Inter-segment sales	5,672	377,020	95,704	243,403	(721,799)	—
總計	Total	1,317,749	887,648	782,185	323,664	(721,799)	2,589,447
分部溢利	Segment profit	117,404	20,277	7,831	7,716		153,228
未分配的收益	Unallocated income						27,509
未分配的費用	Unallocated expenses						(37,875)
財務費用	Finance costs						(19,155)
應佔聯營公司溢利	Share of profit of an associate						5,260
除稅前溢利	Profit before tax						128,967

可呈報分部之會計政策與附註3所述本集團之會計政策相同。分部溢利指各分部所賺取之溢利，並無分配投資收益及其他收益、其他收益及虧損、其他費用、投資物業之折舊、財務費用及應佔聯營公司溢利。此為就資源分配及表現評估而向主要經營決策者呈報之方法。

分部間銷售按現行之市價予以收取。

6. SEGMENTAL INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2010

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of investment and other income, other expenses, depreciation for investment properties, finance costs and share of profit of an associate. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

6. 分部資料 (續)

分部資產與負債

以下為本集團按可呈報分部劃分之資產及負債分析。

於二零一一年十二月三十一日

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部資產	Segment assets	1,300,312	483,372	182,817	536,615	2,503,116
未分配公司資產	Unallocated corporate assets					514,296
綜合資產	Consolidated assets					3,017,412
分部負債	Segment liabilities	239,103	91,332	71,113	86,467	488,015
未分配公司負債	Unallocated corporate liabilities					771,609
綜合負債	Consolidated liabilities					1,259,624

於二零一零年十二月三十一日

At 31 December 2010

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
分部資產	Segment assets	1,244,040	428,056	128,777	342,350	2,143,223
未分配公司資產	Unallocated corporate assets					629,376
綜合資產	Consolidated assets					2,772,599
分部負債	Segment liabilities	268,651	106,826	44,901	76,013	496,391
未分配公司負債	Unallocated corporate liabilities					551,976
綜合負債	Consolidated liabilities					1,048,367

6. 分部資料 (續)

分部資產與負債 (續)

為監控分部表現及在各分部間分配資源：

- 除遞延所得稅資產、於聯營公司的權益、可供出售之投資、投資物業、應收稅金、已抵押銀行存款、銀行存款及現金結餘及列為待出售之資產外，所有資產均分配至可呈報分部。可呈報分部共同使用之資產乃按個別可呈報分部所賺取之收入進行分配；及
- 除與列為待出售之資產相聯繫的負債、遞延所得稅負債、貸款、遞延收入及應繳稅金外，所有負債均分配至可呈報分部。可呈報分部共同承擔之負債乃按個別可呈報分部所賺取之收入進行分配。

其他分部資料

截至二零一一年十二月三十一日止年度

計入分部損益或分部資產計量的金額：

6. SEGMENTAL INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable segments other than deferred tax assets, interest in an associate, available-for-sale investments, investment properties, tax recoverable, pledged bank deposits, bank balances and cash and assets classified as held for sale. Assets used jointly by reportable segments are allocated on the basis of revenues earned by individual reportable segments; and
- all liabilities are allocated to reportable segments other than liabilities associated with assets classified as held for sale, deferred tax liabilities, borrowings, deferred income and tax payable. Liabilities for which reportable segments are jointly liable are allocated on the basis of revenues earned by individual reportable segments.

Other segment information

For the year ended 31 December 2011

Amounts included in the measure of segment profit or segment assets:

	化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	
非流動資產添置 (附註)	Addition to non-current assets (Note)	219,501	59,302	1,221	182,177	462,201
折舊及攤銷(不包括 投資物業之折舊)	Depreciation and amortisation (excluded depreciation for investment properties)	83,975	22,490	1,280	23,725	131,470
應收賬款及其他應收 款項之減值虧損	Impairment losses recognised in respect of trade and other receivables	419	20,555	30,629	78	51,681
應收賬款及其他應收 款項之減值虧損撥回	Reversal of impairment loss on trade and other receivables	—	—	(216)	—	(216)
撥回存貨撥備	Reversal of allowance for inventories	(6,789)	(1,973)	(126)	(2)	(8,890)
存貨撇減	Write-down of inventories	1,072	767	702	2,899	5,440

附註：非流動資產不包括金融工具、投資物業、遞延所得稅資產及於聯營公司的權益。

Note: Non-current assets excluded financial instruments, investment properties, deferred tax assets and interest in an associate.

6. 分部資料 (續)

其他分部資料 (續)

截至二零一一年十二月三十一日止
年度

通常提供給主要經營決策者，但未
計入分部損益或分部資產計量的金
額：

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於聯營公司的權益	Interest in an associate	—	21,761	—	—	21,761
利息收入	Interest income	1,592	401	94	119	2,206
出售物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	(5,706)	(1,598)	(25)	(4,016)	(11,345)
財務費用	Finance costs	(21,779)	(6,133)	(181)	(5)	(28,098)
所得稅(費用)抵免	Income tax (expense) credit	(9,819)	605	3,820	(7,908)	(13,302)

截至二零一零年十二月三十一日止
年度

計入分部損益或分部資產計量的金
額：

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
非流動資產添置(附註)	Addition to non-current assets (Note)	91,706	31,864	465	89,057	213,092
折舊及攤銷(不包括 投資物業之折舊)	Depreciation and amortisation (excluded depreciation for investment properties)	81,059	27,337	1,272	13,787	123,455
應收賬款及其他應收 款項之減值虧損撥回	Reversal of impairment loss on trade and other receivables	(657)	(34)	—	—	(691)
收回以前年度壞賬	Bad debts recover of trade and other receivables	(6)	(52)	(62)	—	(120)
應收賬款及其他應收 款項之減值虧損	Impairment losses recognised in respect of trade and other receivables	138	89	1,330	45	1,602
應收同系附屬公司 款項之減值虧損	Impairment losses recognised in respect of amounts due from fellow subsidiaries	12,474	—	—	—	12,474
存貨撇減	Write-down of inventories	6,311	2,593	—	1	8,905

附註：非流動資產不包括金融工具、投資
物業、遞延所得稅資產及於聯營公
司的權益。

6. SEGMENTAL INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2011

Amounts regularly provided to the chief operating decision maker
but not included in the measure of segment profit or segment
assets:

		Chemical pharmaceuticals RMB'000	Preparations RMB'000	Commerce circulations RMB'000	Chemical and other products RMB'000	Total RMB'000
Interest in an associate		—	21,761	—	—	21,761
Interest income		1,592	401	94	119	2,206
Loss on disposal of property, plant and equipment		(5,706)	(1,598)	(25)	(4,016)	(11,345)
Finance costs		(21,779)	(6,133)	(181)	(5)	(28,098)
Income tax (expense) credit		(9,819)	605	3,820	(7,908)	(13,302)

For the year ended 31 December 2010

Amounts included in the measure of segment profit or segment
assets:

		Chemical pharmaceuticals RMB'000	Preparations RMB'000	Commerce circulations RMB'000	Chemical and other products RMB'000	Total RMB'000
Addition to non-current assets (Note)		91,706	31,864	465	89,057	213,092
Depreciation and amortisation (excluded depreciation for investment properties)		81,059	27,337	1,272	13,787	123,455
Reversal of impairment loss on trade and other receivables		(657)	(34)	—	—	(691)
Bad debts recover of trade and other receivables		(6)	(52)	(62)	—	(120)
Impairment losses recognised in respect of trade and other receivables		138	89	1,330	45	1,602
Impairment losses recognised in respect of amounts due from fellow subsidiaries		12,474	—	—	—	12,474
Write-down of inventories		6,311	2,593	—	1	8,905

Note: Non-current assets excluded financial instruments, investment
properties, deferred tax assets and interest in an associate.

6. 分部資料 (續)

其他分部資料 (續)

截至二零一零年十二月三十一日止年度

通常提供給主要經營決策者，但未計入分部損益或分部資產計量的金額：

6. SEGMENTAL INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2010

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:

		化學原料藥 Bulk pharmaceuticals 人民幣千元 RMB'000	製劑 Preparations 人民幣千元 RMB'000	商業流通 Commerce circulations 人民幣千元 RMB'000	化工及其他產品 Chemical and other products 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於聯營公司的權益	Interest in an associate	—	16,620	—	—	16,620
利息收入	Interest income	1,662	690	197	82	2,631
出售物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	(9,598)	(3,423)	(7)	(2)	(13,030)
財務費用	Finance costs	(14,015)	(5,062)	(77)	(1)	(19,155)
所得稅費用	Income tax expense	(13,469)	(3,367)	(3,074)	(2,249)	(22,159)

地區分部資料

本集團客戶主要位於中國、歐洲、美國及其他國家。

Geographical information

The Group's customers are mainly located in the PRC, Europe, America and other countries.

源自外部客戶之收入 Revenues from external customers

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
中國	PRC	1,838,173	1,701,754
歐洲	Europe	410,081	319,414
美國	America	507,721	439,800
其他國家	Others	161,885	128,479
		2,917,860	2,589,447

本集團99%以上之非流動資產均位於中國，故並無呈列按資產所在地區劃分之非流動資產之分析。

Over 99% of the Group's non-current assets are located in the PRC and therefore the analysis of non-current assets by geographical location of the assets is not presented.

6. 分部資料 (續)

主要客戶資料

本集團的客戶群包括多種不同的客戶。在二零一零及二零一一年，本集團來自單個客戶的收入概無達至或超過本集團收入的10%，因此自特定客戶的收入來源並無重大集中。

7. 投資收益

6. SEGMENTAL INFORMATION (Continued)

Information about major customers

The Group's customer base includes a wide range of different customers. During the year ended 31 December 2011 and 2010, the Group had no single customer that contributed 10% or more of the Group's revenue. Therefore, there was no significant concentration of source of income from a particular customer.

7. INVESTMENT INCOME

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
銀行存款之利息	Interest on bank deposits	2,206	2,631
來自上市股本證券之股息	Dividends from listed equity securities	1,899	2,994
		<u>4,105</u>	<u>5,625</u>

並非按公允值計入損益之金融資產所賺取之投資收益如下：

Investment income earned from financial assets not designed as at fair value through profit or loss, is as follows:

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
可供出售之投資	Available-for-sale investments	1,899	2,994
貸款及應收款項(包括銀行存款及現金結餘)	Loans and receivables (including bank balances and cash)	2,206	2,631
		<u>4,105</u>	<u>5,625</u>

上述包括上市投資之收入約為人民幣1,899,000元(二零一零年：人民幣2,994,000元)。

Included above is income from listed investments of approximately RMB1,899,000 (2010: RMB2,994,000).

8. 其他收益

8. OTHER INCOME

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
租金收入(附註a)	Rental income (Note a)	1,118	1,484
政府補助(附註b)	Government grants (Note b)	29,259	12,545
出售可供出售投資之收益	Gain on disposal of available-for-sale investments	—	54
出售聯營公司之收益	Gain on disposal of an associate	1,967	—
免除應付款項	Waiver of trade payables	1,586	—
賠償收入	Compensation income	7,907	—
應收賬款及其他應收款項之 減值虧損撥回	Reversal of impairment loss on trade and other receivables	216	691
收回以前年度壞賬	Bad debts recover of trade and other receivables	—	120
其他	Others	4,282	6,990
		46,335	21,884

附註：

Notes:

- (a) 與截至二零一一年十二月三十一日止年度間所賺取的租金收入相關的直接支出 約為人民幣222,000元(二零一零年：人民幣307,000元)已經計入了管理費用。
- (b) 在政府補助中，本年度從政府獲取的補助本公司經營的財政扶持資金約為人民幣 25,473,000 元(二零一零年：人民幣11,955,000元)直接確認於損益內。該財政扶持資金沒有特定條件需要本集團滿足，也無特定使用用途。剩餘的政府補助約為人民幣3,786,000元(二零一零年：人民幣590,000元)自遞延收入中轉入(更多詳情請見附註36)，其根據相關資產的使用年期攤銷確認。

- (a) Direct outgoing in respect of rental income earned during the year ended 31 December 2011 amounted to approximately RMB222,000 (2010: RMB307,000), which has been included in administrative expenses.
- (b) Included in the government grants is subsidy of approximately RMB25,473,000 (2010: RMB11,955,000) received from the government during the year for the operation of the Group, which is directly recognised in profit or loss. The government subsidy has no specified conditions that the Group has to fulfill nor specified usage. The remaining amount of approximately RMB3,786,000 (2010: RMB590,000) is transferred from deferred income (see note 36 for more details), which is recognised over the useful lives of the relevant assets.

綜合財務報表附註

Notes to the Consolidated Financial Statements

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

9. 其他費用

9. OTHER EXPENSES

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
匯兌虧損淨額	Net foreign exchange loss	9,331	6,403
出售物業、廠房及設備虧損	Loss on disposal of property, plant and equipment	11,345	13,030
賠償費用	Compensation expenses	680	—
罰款	Penalty	1,134	187
三廢淨損失	Net losses from sales of scrap materials	7,456	9,275
待出售資產之減值損失	Impairment losses on assets classified as held for sales	—	3,987
其他	Others	4,712	2,305
		<u>34,658</u>	<u>35,187</u>

10. 財務費用

10. FINANCE COSTS

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
以下各項之利息：	Interest on:		
— 5年以內須悉數償還的 銀行貸款	— Bank loans wholly repayable within 5 years	26,714	16,486
— 毋須於5年內悉數償還的 政府貸款	— Government loans not wholly repayable within 5 years	1,205	1,112
		<u>27,919</u>	17,598
銀行承兌票據貼現費用	Discount charges on bank acceptance notes	179	1,557
		<u>28,098</u>	<u>19,155</u>

11. 所得稅費用

11. INCOME TAX EXPENSE

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
中國企業所得稅	PRC enterprise income tax		
— 本期	— Current	19,719	24,886
— 過往年度撥備不足	— Under-provision in prior years	668	—
		<u>20,387</u>	<u>24,886</u>
遞延稅項(附註35)	Deferred tax (Note 35)	(7,085)	(2,727)
		<u>13,302</u>	<u>22,159</u>

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國公司之稅率於此等兩個年度均為25%。

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25% for both years.

根據中國有關法律及法規，本公司被認定為高新技術企業。該認定之有效期為三年。本公司自二零零八年一月一日起，至二零一零年十二月三十一日止的三年內有權享有15%之優惠稅率。該認定於本年度延期三年，本公司自二零一一年一月一日起，至二零一三年十二月三十一日止的三年內有權享有15%之優惠稅率。

Pursuant to the relevant laws and regulations in the PRC, the Company was accredited as a high-tech enterprise. The accreditation is valid for three years. The Company is entitled to the preferential tax rate of 15% for a period of three years from 1 January 2008 to 31 December 2010. The accreditation has been extended for another three years in year 2011 and the Company is entitled to the preferential tax rate of 15% for a further period from 1 January 2011 to 31 December 2013.

根據中國的相關法律法規，一家於中國經營之附屬公司，淄博新華-百利高製藥有限責任公司，自二零零八年一月一日起至二零零九年十二月三十一日止的兩年內免繳中國所得稅，自二零一零年一月一日起至二零一二年十二月三十一日止的三年內可獲減免50%中國所得稅之優惠。

Pursuant to the relevant laws and regulations in the PRC, the Group’s subsidiary, SINO-USA Zibo Xinhua – Perrigo Pharmaceutical Company Limited, operating in the PRC is entitled to exemption from the PRC income tax for the two years ended 31 December 2009, followed by a 50% reduction of the PRC income tax for the three years ended 31 December 2012.

根據中國的相關法律法規，一家於中國經營之附屬公司，淄博新華中西製藥有限責任公司，自二零零七年一月一日起至二零零八年十二月三十一日止的兩年內免繳中國所得稅，自二零零九年一月一日起至二零一一年十二月三十一日止的三年內可獲減免50%中國所得稅之優惠。

Pursuant to the relevant laws and regulations in the PRC, the Group’s subsidiary, Zibo Xinhua-Eastwest Pharmaceutical Company Limited, operating in the PRC is entitled to exemption from the PRC income tax for the two years ended 31 December 2008, followed by a 50% reduction of the PRC income tax for the three years ended 31 December 2011.

綜合財務報表附註

Notes to the Consolidated Financial Statements

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

11. 所得稅費用 (續)

依照綜合收益表，年內稅項支出可與稅前溢利對賬如下：

11. INCOME TAX EXPENSE (Continued)

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

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
除稅前溢利	Profit before tax	91,272	128,967
按國內所得稅稅率25% (二零一零年：25%) 計算之稅項	Tax at the domestic income tax rate of 25% (2010: 25%) of 25%	22,818	32,242
中國優惠稅率之影響	Effect of preferential tax rate in the PRC	(8,354)	(7,282)
中國附屬公司獲授稅項 減免的影響	Effect of tax exemption granted to PRC subsidiaries	(827)	(969)
應佔聯營公司溢利之稅務影響	Tax effect of share of profits of an associate	(771)	(789)
非應課稅收益之稅務影響	Tax effect of income not taxable for tax purpose	(285)	(1,236)
不可扣稅費用之稅務影響	Tax effect of expenses not deductible for tax purpose	805	97
額外津貼之稅務影響(附註)	Tax effect of additional allowance (Note)	(1,272)	(1,793)
未確認稅項虧損之稅務影響	Tax effect of tax losses not recognised	43	—
未確認可扣除臨時性差額之 稅務影響	Tax effect of deductible temporary differences not recognised	492	2,025
動用過往年度未確認之 稅項虧損	Utilisation of tax losses previously not recognised	(15)	(136)
過往年度撥備不足	Under-provision in prior years	668	—
年度稅項支出	Tax charge for the year	<u>13,302</u>	<u>22,159</u>

附註：

該款項指根據中國相關稅務條例因產生研發費用而令本集團獲授額外稅務撥備的稅務影響。

遞延所得稅的詳細資料請參考附註35。

Note:

The amount represents the tax effect of additional tax allowance granted to the Group in respect of research and development expenditure as stipulated in the relevant tax rules in the PRC.

Details of deferred taxation are set out in note 35.

12. 年度溢利

12. PROFIT FOR THE YEAR

年度溢利已扣除(計入)下列項目：

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

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
物業、廠房及設備折舊	Depreciation for property, plant and equipment	125,759	117,597
投資物業折舊	Depreciation for investment properties	3,257	2,688
土地使用權之預付租賃 款項攤銷	Amortisation of prepaid lease payments on land use rights	5,711	5,741
技術之攤銷(計入管理費用)	Amortisation of technical know-how (included in administrative expenses)	—	117
折舊與攤銷總額	Total depreciation and amortisation	<u>134,727</u>	<u>126,143</u>
核數師酬金	Auditor's remuneration	1,199	1,138
已確認為費用之研發成本	Research and development costs recognised as an expense	34,492	17,368
土地及樓宇之經營租賃租金	Operating lease rentals on land and buildings	936	882
金融資產之減值虧損確認	Impairment losses recognised in respect of financial assets		
— 應收賬款及其他應收款項 (附註26)	— trade and other receivables (Note 26)	51,681	1,602
— 應收同系附屬公司款項 (附註27)	— amounts due from fellow subsidiaries (Note 27)	—	12,474
		<u>51,681</u>	<u>14,076</u>
列為待出售之資產之減值虧損 (附註31)	Impairment loss on assets classified as held for sale (Note 31)	—	3,987
撥回存貨撥備(計入銷售成本)	Reversal of allowance for inventories (included in cost of sales)	(8,890)	—
存貨撇減(計入銷售成本)	Write-down of inventories (included in cost of sales)	5,440	8,905
員工成本(不包括董事及 監事酬金)(附註15)	Staff costs (excluding directors' and supervisors' emoluments) (Note 15)	252,157	238,510
已確認為費用之存貨成本	Cost of inventories recognised as an expense	<u>2,369,697</u>	<u>2,108,507</u>

13. 股息

13. DIVIDENDS

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
年內確認之股息	Dividends recognised as distribution during the year		
二零一零年末期股息：	2010 final dividend: RMB0.05		
每股人民幣0.05元	(2010 : 2009 final dividend		
(二零一零年：二零零九年	RMB0.05) per share	22,866	22,866
末期股息人民幣0.05元)			

本公司董事已建議就307,312,830股A股及150,000,000股H股派發每股人民幣0.03元(二零一零年：人民幣0.05元)(約為港幣0.0368元(二零一零年：港幣0.0590元)，包括A股的所得稅)之末期股息，該股息須經股東於股東周年大會上批准，且已於綜合財務報表內列作股息儲備。

For the year ended 31 December 2011, final dividend of RMB0.03 (2010: RMB0.05) per share (approximately HK\$0.0368 (2010: HK\$0.0590) per share, including income tax of A shares) on 307,312,830 A shares and 150,000,000 H shares has been proposed by the directors of the Company and is subject to approval by shareholders at the annual general meeting and has been included as a dividend reserve in the consolidated financial statements.

14. 每股盈利

14. EARNINGS PER SHARE

每股基本盈利乃根據本公司所有人應佔本集團溢利約為人民幣74,375,000元(二零一零年：人民幣101,299,000元)及按年內已發行股份之加權平均數457,312,830股(二零一零年：457,312,830股)計算。

The calculation of the basic earnings per share is based on the Group's profit for the year attributable to the owners of the Company of approximately RMB74,375,000 (2010: RMB101,299,000) and based on the weighted average number of 457,312,830 (2010: 457,312,830) shares in issue during the year.

由於截至二零一一年十二月三十一日及二零一零年十二月三十一日止兩個年度均無可能造成攤薄影響之事項，故每股基本盈利與每股攤薄盈利相同。

Basic earnings per share and diluted earnings per share for two years ended 31 December 2011 and 2010 are the same as there were no dilutive events existed during both years.

15. 員工成本(不包括董事及監
事酬金)

15. STAFF COSTS (EXCLUDING DIRECTORS'
AND SUPERVISORS' EMOLUMENTS)

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
薪金及工資	Salaries and wages	185,633	170,089
員工福利及其他福利	Staff welfare and other benefits	36,190	39,028
退休福利計劃供款 — 界定供款計劃(附註)	Retirement benefit scheme contributions - defined contribution plans (Note)	30,334	29,393
		<u>252,157</u>	<u>238,510</u>

附註：

按中國相關法規之規定，本集團參與當地市政府設立之界定供款退休金計劃，據此本集團須按前一年向本集團員工支付之薪金、花紅及津貼（「有關收入」）總額的19%（二零一零年：21%）支付供款。每位員工每月相關收入之上限為人民幣7,400元（二零一零年：人民幣7,400元）。退休計劃之供款於產生時自綜合收益表中扣除。

當地市政府承諾將承擔本集團所有現有及日後退休員工之退休福利責任。因此，除上文所述供款外，本集團並無就為員工支付退休款項及其他退休後福利而承擔其他重大責任。

截至二零一一年十二月三十一日止年度，本集團共計發生約為人民幣30,479,000元（二零一零年：人民幣29,564,000元）的退休福利計劃供款。於報告期末，無被罰沒的供款可供用作減少未來年度之應付供款。

Note:

As stipulated by the regulations of the PRC, the Group participates in a basic defined contribution pension scheme organised by the local municipal government, whereby it is required to pay contributions at the rate of 19% (2010: 21%) on the total salaries, bonuses and allowances (the "relevant income") paid to the Group's staff in the preceding year. The monthly relevant income per head of a staff is subject to a cap of RMB7,400 (2010: RMB7,400). Contributions to this retirement scheme are charged to the consolidated income statement as and when incurred.

The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired staff of the Group. Accordingly, the Group has no other material obligation for payment of retirement and other post-retirement benefits of employees other than the contributions described above.

During the year ended 31 December 2011, the Group made retirement benefits scheme contributions totaling approximately RMB30,479,000 (2010: RMB29,564,000). At 31 December 2011, there are no forfeited contributions (2010: nil) available to reduce the contribution payable in the future years.

綜合財務報表附註

Notes to the Consolidated Financial Statements

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

16. 董事及監事酬金

已付或應付予十五位(二零一零年:十六位)董事及監事之酬金如下:

截至二零一一年十二月三十一日止年度

16. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

The emoluments paid or payable to each of the fifteen (2010: sixteen) directors and supervisors were as follows:

For the year ended 31 December 2011

		袍金	工資、花紅、 津貼及 其他福利 Salaries, bonuses, allowances and other benefits	退休福利 計劃供款 Retirement benefit scheme contributions	總計 Total
		Fees 人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
執行董事 <i>Executive directors</i>					
張代銘先生	Mr. Zhang Daiming	—	260	20	280
任福龍先生(附註a)	Mr. Ren Fulong (Note a)	—	292	20	312
杜德平先生	Mr. Du Deping	—	282	20	302
趙松國先生	Mr. Zhao Songguo	—	166	20	186
非執行董事 <i>Non-executive directors</i>					
徐 列先生	Mr. Xu Lie	—	230	20	250
趙 斌先生	Mr. Zhao Bin	—	—	—	—
任福龍先生(附註a)	Mr. Ren Fulong (Note a)	—	—	—	—
獨立非執行董事 <i>Independent non-executive directors</i>					
朱寶泉先生	Mr. Zhu Baoquan	70	—	—	70
孫明高先生(附註b)	Mr. Sun Minggao (Note b)	70	—	—	70
鄭志傑先生	Mr. Kuang Zhijie	70	—	—	70
白慧良先生(附註c)	Mr. Bai Huiliang (Note c)	—	—	—	—
監事 <i>Supervisors</i>					
李天忠先生	Mr. Li Tianzhong	—	180	20	200
扈豔華女士(附註d)	Ms. Hu Yanhua (Note d)	—	50	7	57
劉 強先生(附註e)	Mr. Liu Qiang (Note e)	—	49	18	67
陶志超先生	Mr. Tao Zhichao	—	30	—	30
張月順先生	Mr. Zhang Yueshun	—	30	—	30
總計	Total	210	1,569	145	1,924

16. 董事及監事酬金 (續)

附註：

- (a) 於二零一一年十二月二十二日辭任執行董事，於同日獲委任為非執行董事。
- (b) 於二零一一年十二月二十二日辭任。
- (c) 於二零一一年十二月二十二日獲委任。
- (d) 於二零一一年七月十八日獲委任。
- (e) 於二零一一年七月十八日辭任。

截至二零一零年十二月三十一日止年度

16. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

Notes:

- (a) Resigned as a executive director on 22 December 2011 and appointed as a non-executive director on 22 December 2011.
- (b) Resigned on 22 December 2011.
- (c) Appointed on 22 December 2011.
- (d) Appointed on 18 July 2011.
- (e) Resigned on 18 July 2011.

For the year ended 31 December 2010

	袍金	工資、花紅、津貼及其他福利 Salaries, bonuses, allowances and other benefits	退休福利計劃供款 Retirement benefit scheme contributions	總計 Total
	Fees 人民幣千元 RMB'000	benefits 人民幣千元 RMB'000	contributions 人民幣千元 RMB'000	RMB'000
執行董事 <i>Executive directors</i>				
張代銘先生 (附註a)	—	569	19	588
任福龍先生	—	630	19	649
杜德平先生 (附註a)	—	517	19	536
趙松國先生	—	510	19	529
郭琴女士 (附註b)	—	133	12	145
非執行董事 <i>Non-executive directors</i>				
徐列先生 (附註c)	—	380	14	394
趙斌先生	—	—	—	—
李天忠先生 (附註d)	—	—	—	—
劉振文先生 (附註e)	—	550	19	569
獨立非執行董事 <i>Independent non-executive directors</i>				
朱寶泉先生	60	—	—	60
孫明高先生	60	—	—	60
鄭志傑先生	60	—	—	60
監事 <i>Supervisors</i>				
李天忠先生 (附註d)	—	380	19	399
于公福先生 (附註b)	—	349	17	366
劉強先生	—	90	14	104
陶志超先生	—	24	—	24
張月順先生	—	24	—	24
總計	180	4,156	171	4,507

16. 董事及監事酬金 (續)

附註：

- (a) 於二零一零年九月二十日獲委任。
- (b) 於二零一零年九月二十日辭任。
- (c) 於二零一零年六月二十五日獲委任。
- (d) 於二零一零年四月九日辭任董事並於二零一零年六月二十五日獲委任監事。
- (e) 於二零一零年八月四日辭任。

截至二零一一年及二零一零年十二月三十一日止兩個年度，概無任何董事或監事放棄或同意放棄由本集團支付的任何酬金。年內，本集團概無向本公司董事或監事支付任何酬金，以作為吸引彼等加入本集團或於加入本集團後的獎勵或作為離職補償。

17. 僱員酬金

在本集團五位最高薪酬人士中，有兩位(二零一零年：四位)董事，其酬金詳情載於上文附註16。其餘三位(二零一零年：一位)最高薪酬人士之酬金如下：

16. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

Notes:

- (a) Appointed on 20 September 2010.
- (b) Resigned on 20 September 2010.
- (c) Appointed on 25 June 2010.
- (d) Resigned as a director on 9 April 2010 and appointed as a supervisor on 25 June 2010.
- (e) Resigned on 4 August 2010.

No directors and supervisors waived or agreed to waive any emoluments paid by the Group for the two years ended 31 December 2011 and 2010. During the year ended 31 December 2011 and 2010, no emoluments have been paid by the Group to the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

17. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2010: four) were directors, whose emoluments are set out in note 16 above. The emoluments of the remaining three (2010: one) highest paid individual was as follows:

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
薪金、花紅、津貼及其他福利	Salaries, bonuses, allowances and other benefits	816	550
退休福利計劃供款	Retirement benefit scheme contributions	59	19
		<u>875</u>	<u>569</u>

17. 僱員酬金 (續)

其酬金介乎以下範圍內：

17. EMPLOYEES' EMOLUMENTS (Continued)

Their emoluments were within the following band:

		僱員數目 Number of employees	
		2011	2010
零至港幣1,000,000元 (二零一一年：等於 人民幣811,000元， 二零一零年：等於 人民幣859,000元)	Nil to HK\$1,000,000 (2011: equivalent to RMB811,000, 2010: equivalent to RMB859,000)	3	1

18. 技術

18. TECHNICAL KNOW-HOW

人民幣千元
RMB'000

成本 於二零一零年一月一日、 二零一零年十二月三十一日及 二零一一年十二月三十一日	COST At 1 January 2010, 31 December 2010 and 31 December 2011	6,550
攤銷 於二零一零年一月一日 年內支銷	AMORTISATION At 1 January 2010 Charge for the year	6,433 117
於二零一零年十二月三十一日、 二零一一年一月一日及 二零一一年十二月三十一日	At 31 December 2010, 1 January 2011 and 31 December 2011	6,550
賬面值 於二零一一年十二月三十一日	CARRYING VALUE At 31 December 2011	—
於二零一零年十二月三十一日	At 31 December 2010	—

本集團之技術乃自第三方購入。該等技術擁有有限可使用年期，以直線法在4-6年內攤銷。該等技術於二零一一年十二月三十一日及二零一零年十二月三十一日已全數攤銷完畢。

The Group's technical know-how was acquired from third parties. The technical know-how had a definite useful life and amortised on a straight-line basis over four to six years. The technical know-how had been fully amortised as at 31 December 2011 and 2010.

19. 物業、廠房及設備

19. PROPERTY, PLANT AND EQUIPMENT

		樓宇 Buildings 人民幣千元 RMB'000	廠房、機器 及設備 Plant, machinery and equipment 人民幣千元 RMB'000	汽車 Motor vehicles 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
成本或估值	COST OR VALUATION				
於二零一零年一月一日	At 1 January 2010	515,632	1,156,226	16,395	1,688,253
由在建工程轉入 (附註20)	Transferred from construction in progress (Note 20)	103,055	22,786	-	125,841
添置	Additions	4,286	47,894	3,314	55,494
出售	Disposals	(2,251)	(70,995)	(5,318)	(78,564)
於二零一零年十二月三十一日	At 31 December 2010	620,722	1,155,911	14,391	1,791,024
由在建工程轉入 (附註20)	Transferred from construction in progress (Note 20)	43,071	90,236	-	133,307
添置	Additions	2,782	58,537	2,371	63,690
出售	Disposals	(9,270)	(22,815)	(869)	(32,954)
於二零一一年十二月三十一日	At 31 December 2011	657,305	1,281,869	15,893	1,955,067
累計折舊	ACCUMULATED DEPRECIATION				
於二零一零年一月一日	At 1 January 2010	178,004	538,959	7,543	724,506
年內撥備	Provided for the year	23,962	91,364	2,271	117,597
出售對銷	Eliminated on disposals	(1,714)	(51,627)	(5,061)	(58,402)
於二零一零年十二月三十一日	At 31 December 2010	200,252	578,696	4,753	783,701
年內撥備	Provided for the year	29,599	93,624	2,536	125,759
出售對銷	Eliminated on disposals	(3,159)	(15,969)	(786)	(19,914)
於二零一一年十二月三十一日	At 31 December 2011	226,692	656,351	6,503	889,546
賬面值	CARRYING VALUES				
於二零一一年十二月三十一日	At 31 December 2011	430,613	625,518	9,390	1,065,521
於二零一零年十二月三十一日	At 31 December 2010	420,470	577,215	9,638	1,007,323

19. 物業、廠房及設備 (續)

- (a) 本集團所有樓宇均位於中國。

於二零一一年十二月三十一日，本集團尚未獲授正式業權之樓宇賬面淨值約為人民幣139,730,000元（二零一零年：人民幣102,293,000元）。本公司董事認為，本集團有關樓宇價值不會因未獲批該等樓宇之正式業權而減值。本公司董事亦相信，該等樓宇之正式業權將適時授予本集團。

- (b) 為準備本公司之股票於聯交所上市，本公司之物業、廠房及設備由中國註冊估值師山東會計師事務所按折舊重置成本之基準作估值。其後本公司之物業、廠房及設備由一獨立估值師卓德測計師行有限公司按公開市值重新估值。在綜合財務報表中採用上述兩項重估值列賬後未使截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度增加額外折舊費用。

- (c) 倘本集團之物業、廠房及設備未被重估，而在綜合財務狀況表中以成本值減累計折舊列賬如下：

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (a) All the buildings of the Group are located in the PRC.

As at 31 December 2011, the carrying value of the buildings for which the Group had not been granted formal title amounted to approximately RMB139,730,000 (2010: RMB102,293,000). In the opinion of the directors of the Company, the absence of formal title to these buildings does not impair the value of the relevant buildings to the Group. The directors of the Company also believe that formal title to these buildings will be granted to the Group in due course.

- (b) In the preparation of the listing of the Company's shares on the Stock Exchange, the Company's property, plant and equipment were firstly revalued by Shandong Certified Public Accountants, a firm of valuers registered in the PRC on a depreciated replacement cost basis as part of its restructuring. Another separate revaluation was carried out on the Company's property, plant and equipment by Chesterton Petty Limited, an independent valuer, on an open market value basis. The adoption of the above two revaluations in the consolidated financial statements has not resulted in an additional depreciation charge during the two years ended 31 December 2011.

- (c) If the property, plant and equipment of the Group had not been revalued, they would have been included in these consolidated statements of financial position at historical cost less accumulated depreciation as follows:

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
樓宇	Buildings	430,613	420,470
廠房、機器及設備	Plant, machinery and equipment	625,518	577,215
汽車	Motor vehicles	9,390	9,638
		<u>1,065,521</u>	<u>1,007,323</u>

19. 物業、廠房及設備 (續)

- (d) 於二零一一年十二月三十一日，本集團之所有物業、廠房及設備均由本公司董事按折舊重置成本基準作估值。由於重估值與於二零一一年十二月三十一日之賬面值並無重大差異，本公司董事認為物業、廠房及設備於二零一一年十二月三十一日之賬面值已經公平地反映其於當日之可收回金額。
- (e) 物業、廠房及設備之上述各項按直線法計提折舊。物業、廠房及設備之預計可使用年期如下：

樓宇	20年
廠房、機器及設備	5 - 20年
汽車	5年

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (d) At 31 December 2011, all property, plant and equipment of the Group were revalued by the directors of the Company on a depreciated replacement cost basis. Since there are no material differences between the revalued amount and the carrying values at 31 December 2011, the directors of the Company are of the opinion that the carrying values of property, plant and equipment as at 31 December 2011 fairly reflected their recoverable amount at that time.
- (e) The above items of property, plant and equipment are depreciated on a straight-line basis. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Plant, machinery and equipment	5 – 20 years
Motor vehicles	5 years

20. 在建工程

20. CONSTRUCTION IN PROGRESS

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
於一月一日	At 1 January	120,261	134,356
添置	Additions	376,376	111,746
轉入物業、廠房及設備(附註19)	Transfer to property, plant and equipment (Note 19)	<u>(133,307)</u>	<u>(125,841)</u>
於十二月三十一日	At 31 December	<u><u>363,330</u></u>	<u><u>120,261</u></u>

在建工程包括於二零一一年十二月三十一日尚未竣工之樓宇、廠房及機器所產生之支出。

截至二零一一年十二月三十一日止年度，就在建工程融資所借政府貸款為人民幣20,000,000元(二零一零年：人民幣20,000,000元)。由於合資格資產之支出尚未發生，因此並無貸款成本撥充資本。

Construction in progress comprises expenditures incurred on buildings, plants and machinery not yet completed at 31 December 2011.

For the year ended 31 December 2011, government loan of RMB20,000,000 (2010: RMB 20,000,000) was borrowed for financing construction in progress. No borrowing costs are capitalised as the expenditures on the qualifying assets have not been incurred.

21. 土地使用權之預付租賃款項

21. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
本集團預付租賃款項包括：	The Group's prepaid lease payments comprise：		
中國之租賃土地：	Leasehold land in the PRC：		
中期租約	Medium-term lease	221,834	227,388
短期租約	Short-term lease	899	1,056
		<u>222,733</u>	<u>228,444</u>
就報告而作出之分析：	Analysed for reporting purposes as：		
流動資產	Current asset	5,711	5,741
非流動資產	Non-current asset	217,022	222,703
		<u>222,733</u>	<u>228,444</u>

本集團已取得中國之土地使用權，並已於土地上興建樓宇。雖然本集團已支付該購買代價之大部分款額，但有關政府機關尚未向本集團授出若干該等土地之正式業權。於二零一一年十二月三十一日，本集團尚未獲授正式業權之土地使用權之賬面值約為人民幣17,665,000元（二零一零年：人民幣18,302,000元）。本公司董事認為，未獲該等土地使用權之正式業權並無令本集團相關土地使用權之價值出現減值。本公司董事亦相信，該等土地使用權之正式業權將適時授予本集團。

於二零一一年十二月三十一日，本集團的部份銀行借款以賬面總值約人民幣69,575,000元（二零一零年：無）的若干土地使用權之預付租賃款項作為抵押（附註33）。

The Group has acquired land use rights in the PRC and has erected buildings thereon. While the Group has paid substantially the full consideration of the purchase consideration, the relevant government authorities have not granted formal title to certain of these land use rights to the Group. As at 31 December 2011, the carrying values of the land use rights for which the Group had not been granted formal title amounted to approximately RMB17,665,000 (2010: RMB18,302,000). In the opinion of the directors of the Company, the absence of formal title to these land use rights does not impair the value of the relevant land use rights to the Group. The directors of the Company also believe that formal title to these land use rights will be granted to the Group in due course.

As at 31 December 2011, certain secured bank loans were secured by certain prepaid lease payments on land use rights of the Group with an aggregate carrying values of approximately RMB69,575,000 (2010: nil) (Note 33).

22. 投資物業

22. INVESTMENT PROPERTIES

人民幣千元
RMB'000

成本	COST	
於二零一零年一月一日	At 1 January 2010	42,618
添置	Additions	1,701
		<hr/>
於二零一零年十二月三十一日	At 31 December 2010	44,319
添置	Additions	4,692
		<hr/>
於二零一一年十二月三十一日	At 31 December 2011	49,011
		<hr/>
累計折舊	ACCUMULATED DEPRECIATION	
於二零一零年一月一日	At 1 January 2010	5,924
年內撥備	Provided for the year	2,688
		<hr/>
於二零一零年十二月三十一日	At 31 December 2010	8,612
年內撥備	Provided for the year	3,257
		<hr/>
於二零一一年十二月三十一日	At 31 December 2011	11,869
		<hr/>
賬面值	CARRYING VALUES	
於二零一一年十二月三十一日	At 31 December 2011	37,142
		<hr/> <hr/>
於二零一零年十二月三十一日	At 31 December 2010	35,707
		<hr/> <hr/>

(a) 本集團附有中期租約(租期為10年或以上但少於50年)的投資物業位於中國。於二零一一年十二月三十一日,本集團投資物業之公允值約為人民幣69,275,000元(二零一零年:人民幣69,000,000元)。本公司董事於二零一一年十二月三十一日對本集團之投資物業進行估值。概無任何獨立合資格專業估值師進行估值。本公司董事之估值乃經參考相同地段及條件下之類似物業之市價而釐定。

(a) The Group's investment properties were located in the PRC under medium-lease terms (lease period of 10 years or more but less than 50 years). The fair value of the Group's investment properties at 31 December 2011 was approximately RMB69,275,000 (2010: RMB69,000,000). The fair value of the Group's investment properties at 31 December 2011 have been estimated by the directors of the Company. No valuation has been performed by independent qualified professional valuers. The valuation performed by the directors of the Company was arrived at by reference to market prices for similar properties in the same locations and conditions.

22. 投資物業 (續)

- (b) 於二零一一年十二月三十一日，本集團並無尚未獲授正式業權證明之投資物業（二零一零年：人民幣4,231,000元）。於二零一零年十二月三十一日，本公司董事認為，未獲該等投資物業之正式業權證明並無令本集團相關投資物業之價值出現減值。該等投資物業之正式業權證明已於二零一一年授予本集團。
- (c) 上述投資物業乃以直線法按租期及20年（以較短者為準）折舊。

22. INVESTMENT PROPERTIES (Continued)

- (b) As at 31 December 2011, no investment property for which the Group has not been granted formal titles (2010: RMB4,231,000). In the opinion of the directors of the Company, the absence of formal titles to these investment properties did not impair the value of the relevant properties to the Group as at 31 December 2010. The formal titles to those properties have been granted to the Group in year 2011.
- (c) The above investment properties are depreciated on a straight-line basis over the shorter of the term of the lease and 20 years.

23. 於聯營公司的權益

23. INTEREST IN AN ASSOCIATE

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
於非上市聯營公司的投資成本	Cost of investment in an unlisted associate	10,179	10,179
應佔收購後溢利，扣除已收到的股息	Share of post-acquisition profits, net of dividend received	11,582	6,441
		<u>21,761</u>	<u>16,620</u>

於二零一一年十二月三十一日，本集團於以下聯營公司擁有權益：

As at 31 December 2011, the Group had interest in the following associate:

聯營公司名稱	業務架構形式	註冊成立及經營地點	所持股份類別	註冊資本面值	本集團應佔權益百分比 Percentage of equity attributable to the Group	主要業務
Name of associate	Form of business structure	Place of incorporation and operations	Class of shares held	Nominal value of registered capital		Principal activities
山東淄博新達製藥有限公司 （「新達」）	法團	中國	繳入股本	人民幣RMB 84,930,000元	20%	生產藥物及醫藥用品
Shandong Zibo Xincat Pharmaceutical Co., Ltd. （"Xincat Pharmaceutical"）	Incorporated	PRC	Contributed capital			Production of medicine and medical products

23. 於聯營公司的權益 (續)

有關本集團聯營公司的未經審核財務資料概要如下：

23. INTEREST IN AN ASSOCIATE (Continued)

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

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
總資產	Total assets	171,191	145,628
總負債	Total liabilities	(62,389)	(62,529)
淨資產	Net assets	<u>108,802</u>	<u>83,099</u>
本集團應佔聯營公司淨資產	Group's share of net assets of an associate	<u>21,761</u>	<u>16,620</u>

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
收入	Revenue	<u>253,002</u>	<u>210,203</u>
年內溢利	Profit for the year	<u>25,703</u>	<u>26,299</u>
本集團應佔聯營公司年內溢利	Group's share of profit of an associate for the year	<u>5,141</u>	<u>5,260</u>

24. 可供出售之投資

24. AVAILABLE-FOR-SALE INVESTMENTS

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
上市之投資： — 於中國上市之股本證券， 按公允值列賬 (附註a)	Listed investments: — Equity securities listed in the PRC, at fair value (Note a)	132,872	155,446
未上市之投資： — 按成本列賬 (附註b)	Unlisted securities: — At cost (Note b)	33,200	33,200
減：已確認減值虧損 (附註b)	Less: Impairment loss recognised (Note b)	(30,000)	(30,000)
總計	Total	<u>136,072</u>	<u>158,646</u>

24. 可供出售之投資 (續)

附註：

- (a) 於二零一一年及二零一零年十二月三十一日，上市股本證券投資的公允價值乃經參考上海證券交易所之市場報價而釐定，公允價值變動已計入其他全面收益中。
- (b) 此金額是指對於中國註冊成立之私營企業發行之非上市股本證券之投資。由於合理公允價值估算範圍甚廣，以致本公司董事認為無法可靠地衡量其公允價值，故此該等投資於報告期末按成本扣除減值計量。

於二零一一年十二月三十一日，股本證券包括於一家非上市證券交易公司天同證券有限責任公司之投資，成本為人民幣30,000,000元。該證券交易公司正面臨財政危機，因此已於以前年度確認減值虧損人民幣30,000,000元。本公司董事認為，該減值乃參照市場狀況及該證券交易公司之具體情況後根據其最佳估計而作出。

於二零一一年十二月三十一日，非上市股本證券亦包括本集團於新華長星之投資，帳面值為零。本集團的投資佔新華長星35%的股本權益。於截至二零一零年十二月三十一日止年度內，本集團將於新華長星之投資從列為待出售之資產重分類至可供出售之投資(更多詳情見附註31)。

25. 存貨

原材料	Raw materials
在製品	Work-in-progress
製成品	Finished goods
耗用品	Consumables

截至二零一一年十二月三十一日止年度，由於相關存貨已出售或已使用，故本集團撥回存貨撥備約人民幣8,890,000元(二零一零年：無)。

24. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes:

- (a) At 31 December 2011 and 2010, the fair value of the listed equity securities are determined based on the quoted market bid prices available on the Shanghai Stock Exchange and the changes in fair value has been recognised into other comprehensive income.
- (b) The amount represents investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so wide that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

As at 31 December 2011, the unlisted equity securities included an investment in an unlisted securities trading company, Tian Tong Securities Company Limited, with a cost of RMB30,000,000. The securities trading company was in financial difficulties and impairment loss of RMB30,000,000 had been recognised in prior year. The directors of the Company are of the opinion that the impairment made is based on their best estimation with reference to the market situation and circumstances of the securities trading company.

As at 31 December 2011, the unlisted equity securities also included the Group's investment in 35% of equity interest of Xinhua Changxing with a carrying amount of nil (2010: nil). During the year ended 31 December 2010, the Group reclassified the investment in Xinhua Changxing from assets classified as held for sale to available-for-sale investments (see note 31 for more details).

25. INVENTORIES

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
原材料	Raw materials	44,253	56,675
在製品	Work-in-progress	106,824	56,488
製成品	Finished goods	258,814	275,656
耗用品	Consumables	13,898	12,724
		<u>423,789</u>	<u>401,543</u>

During the year ended 31 December 2011, reversal of allowance of inventories of approximately RMB8,890,000 (2010: nil) has been recognised as the corresponding inventories were either sold or utilised.

綜合財務報表附註

Notes to the Consolidated Financial Statements

根據香港普遍採納之會計原則編製
Prepared under Hong Kong Generally Accepted Accounting Principles
截至二零一一年十二月三十一日止年度
For The Year Ended 31 December 2011

26. 應收賬款及其他應收款項

26. TRADE AND OTHER RECEIVABLES

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
應收賬款及票據	Trade and bills receivables	393,531	308,235
減：應收賬款呆賬撥備	Less : Allowance for doubtful debts of trade receivables	<u>(53,328)</u>	<u>(1,979)</u>
		<u>340,203</u>	<u>306,256</u>
其他應收款項、按金及預付款項	Other receivables, deposits and prepayments	58,397	78,835
減：其他應收款項呆賬撥備	Less : Allowance for doubtful debts of other receivables	<u>(9,244)</u>	<u>(9,128)</u>
		<u>49,153</u>	<u>69,707</u>
應收賬款及其他應收款項總額	Total trade and other receivables	<u><u>389,356</u></u>	<u><u>375,963</u></u>

於二零一一年十二月三十一日，應收賬款中包含約為人民幣107,959,000元（二零一零年：人民幣80,819,000元）及約為人民幣1,826,000元（二零一零年：無）分別以美元及英磅計值。

As at 31 December 2011, included in the trade receivables of approximately RMB107,959,000 (2010: RMB80,819,000) and approximately RMB1,826,000 (2010: nil) is denominated in United States Dollars ("USD") and Great Britain Pounds ("GBP") respectively.

本集團之出口銷售收入均以信用證或付款交單方式進行，除賬期乃於銷售合同中協定及制定。除某些客戶需要預先付款外，本集團向其本地貿易客戶授予平均30天之除賬期，向本地醫院客戶授予90天之除賬期。

The Group's revenue from export sales is on letter of credit or documents against payment. The credit period is agreed upon and stipulated in the sales contract. Except for some particular customers where payment in advance is normally required, the Group allows an average credit period of 30 days to its local trade customers and 90 days for local hospital customers.

以下乃於報告日，應收賬款及票據（已扣除應收賬款呆賬撥備）按發票日期呈列之賬齡分析。

The following is an aged analysis of the trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
一年內	Within one year	335,408	303,310
多於一年但兩年以內	More than one year but within two years	3,212	2,601
多於兩年但三年以內	More than two years but within three years	1,583	319
多於三年	Over three years	—	26
		<u><u>340,203</u></u>	<u><u>306,256</u></u>

26. 應收賬款及其他應收款項 (續)

本集團之應收賬款及票據結餘包括總賬面值共約為人民幣39,684,000元(二零一零年:人民幣4,764,000元)之款項於結算日已逾期,而本集團並無就其減值虧損作出撥備。本集團並無就該等結餘持有任何抵押品。

就應收賬款及票據而言,本集團對所有客戶均執行個別信用評估,以授予一定的信用額度。這些評估主要關注客戶過往的到期付款記錄及待付的流動負債,並參考客戶特定的資訊以及客戶經營的經濟環境。76%(二零一零年:98%)的應收賬款及票據未逾期且未減值,在本集團的個別信用評估法下,有良好的結算記錄。

已逾期但未減值的應收賬款之賬齡

一年內	Within one year
多於一年但兩年以內	More than one year but within than two years
多於兩年但三年以內	More than two years but within than three years
多於三年	More than three years
總計	Total

已逾期但並無減值之應收款項與眾多與本集團擁有良好往績記錄之客戶有關。根據過往經驗,管理層認為該等結餘在信貸質素方面並無重大變動,且仍認為該等款項可全數收回,並無必要作出減值備抵。本集團並無就該等結餘持有任何抵押品。

26. TRADE AND OTHER RECEIVABLES (Continued)

Included in the Group's trade and bills receivable balance are debtors with aggregate carrying amount of approximately RMB39,684,000 (2010: RMB4,764,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

In respect of trade and bill receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operate. 76% (2010: 98%) of the trade and bill receivables that are neither past due nor impaired have good settlement history under the Group's individual credit evaluations. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
一年內	Within one year	38,193	2,723
多於一年但兩年以內	More than one year but within than two years	1,343	1,817
多於兩年但三年以內	More than two years but within than three years	148	212
多於三年	More than three years	—	12
總計	Total	39,684	4,764

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

26. 應收賬款及其他應收款項
(續)

26. TRADE AND OTHER RECEIVABLES (Continued)

應收賬款呆賬撥備變動

Movements in the allowance for doubtful debts of trade receivables

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
一月一日	At 1 January	1,979	7,603
撥回之減值虧損	Impairment losses reversed	—	(691)
已確認減值虧損	Impairment losses recognised	51,349	312
撇銷未收回款項	Amounts written off as uncollectable	—	(5,245)
十二月三十一日	At 31 December	<u>53,328</u>	<u>1,979</u>

於確定應收賬款是否可收回時，本集團會考慮應收賬款及其他應收款項的信貸質素自最初授出信貸之日起直至報告期末的任何變動。由於客戶群規模較大且互不關連，故信貸風險集中程度有限。

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

在應收款的呆賬撥備中，已個別計提減值之應收賬款總額約為人民幣53,328,000元（二零一零年：人民幣1,979,000元）。本集團就該等結餘概無持有任何抵押品。

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB53,328,000 (2010: RMB1,979,000) which were found to be under severe financial difficulties. The Group does not hold any collateral over these balances.

其他應收款項呆賬撥備變動

Movements in the allowance for doubtful debts of other receivables

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
一月一日	At 1 January	9,128	7,838
撥回之減值虧損	Impairment losses reversed	(216)	—
已確認減值虧損	Impairment losses recognised	332	1,290
十二月三十一日	At 31 December	<u>9,244</u>	<u>9,128</u>

在其他應收款項的呆賬撥備中，已個別計提減值之其他應收款項總額約為人民幣9,244,000元（二零一零年：人民幣9,128,000元），該等債務人出現財務困難。本集團就該等結餘概無持有任何抵押品。

Included in the allowance for doubtful debts are individually impaired other receivables with an aggregate balance of approximately RMB9,244,000 (2010: RMB9,128,000) which were found to be under severe financial difficulties. The Group does not hold any collateral over these balances.

26. 應收賬款及其他應收款項 (續)

於二零一一年期間，本集團錄得金額約為人民幣7,907,000元的賠償金收入，該款項於本期末尚未收到，並記錄在綜合財務狀況表中的其他應收款項中。

於二零一一年十二月三十一日，本集團的部份銀行借款以賬面總值約人民幣58,837,000元（二零一零年：無）的應收賬款及票據作為抵押（附註33）。

26. TRADE AND OTHER RECEIVABLES (Continued)

During the year ended 31 December 2011, the Group recorded compensation income of approximately RMB7,907,000. At the end of the reporting period, the balance is yet to be settled and is included in other receivables in the consolidated statement of financial position.

As at 31 December 2011, certain secured bank loans were secured by trade and bills receivables of the Group with an aggregate carrying values of approximately RMB58,837,000 (2010: nil) (Note 33).

27. 應收(付)同系附屬公司款項

27. AMOUNTS DUE FROM (TO) FELLOW SUBSIDIARIES

		2011 人民幣千元 RMB'000	2010 人民幣千元 RMB'000
應收同系附屬公司款項	Amounts due from fellow subsidiaries	19,074	12,511
減：應收同系附屬公司款項 之呆帳準備	Less : Allowance for doubtful debts of amounts due from fellow subsidiaries	<u>(12,474)</u>	<u>(12,474)</u>
		<u>6,600</u>	<u>37</u>
應付同系附屬公司款項	Amounts due to fellow subsidiaries	<u>(2,835)</u>	<u>(6,087)</u>

同系附屬公司款項的結餘屬貿易性質。

The balances with fellow subsidiaries are trading in nature.

28. 應付聯營公司款項

聯營公司款項的結餘屬貿易性質。

28. AMOUNT DUE TO AN ASSOCIATE

The balance with an associate is trading in nature.

29. 已抵押銀行存款

已抵押銀行存款是指就票據融資而抵押予銀行，以擔保授予本集團之銀行融資之存款。由於該等銀行融資屬短期融資，因此有關存款列為流動資產。該等存款按介乎每年2.98%（二零一零年：1.98%）之固定利率計息。已抵押銀行存款將於結清有關融資後解除抵押。

29. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to bank to secure banking facilities granted to the Group in respect of bills issuance and operation. As these banking facilities are short-term, the deposits are classified as current assets. The deposits carry fixed interest rate at 2.98% (2010: 1.98%) per annum. The pledged bank deposits will be released upon the settlement of relevant facilities.