

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**1(a)(i)
UNAUDITED CONSOLIDATED RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2015**

	Group 12M 2015 RMB'000	Group 12M 2014 RMB'000	+ / (-) %
Revenue	31,878	10,174	n.m.
Cost of sales	(29,615)	(10,311)	n.m.
Gross profit	2,263	(137)	n.m.
Other operating income	1,367	1,475	(7.3)
Administrative expenses	(7,429)	(9,602)	(22.6)
Selling and distribution expenses	(727)	(132)	n.m.
Loss before income tax	(4,526)	(8,396)	(46.1)
Income tax	(42)	(24)	75.0
Loss for the year representing total comprehensive income for the year and attributable to equity holders of the company	(4,568)	(8,420)	(45.7)

1(a)(ii)

Other Credits/(Charges)

Staff costs	(3,223)	(4,421)	(27.1)
Depreciation	(1,640)	(1,460)	12.3
Amortisation	(411)	(357)	(15.1)
Foreign exchange gain	14	1,092	(98.8)
Interest income	1,049	1,291	(18.7)
Research and development ("R&D")	(587)	(1,608)	(63.5)
Allowance for (Reversal of) inventories	(671)	331	n.m.
Bad debts written-off	(149)	(370)	(59.7)

n.m. = not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

1 (b)(i)

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Group 31/12/2015 RMB'000	Group 31/12/2014 RMB'000	Company 31/12/2015 RMB'000	Company 31/12/2014 RMB'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	28,032	8,291	164	204
Structured deposit	-	33,830	-	-
Trade receivables	1,490	1,244	-	-
Other receivables and prepayments	2,745	3,849	-	-
Prepaid lease premium	355	357	-	-
Properties under development	35,842	15,278	-	-
Inventories	17,108	19,866	-	-
Total current assets	85,572	82,715	164	204
Non-current assets				
Prepaid lease premium	14,538	14,891	-	-
Properties under development	21,304	24,434	-	-
Property, plant and equipment	19,492	18,065	-	-
Intangible assets	344	400	-	-
Subsidiaries	-	-	131,406	131,406
Total non-current assets	55,678	57,790	131,406	131,406
Total assets	141,250	140,505	131,570	131,610
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	15,106	11,397	-	-
Other payables	6,145	4,541	4,455	2,804
Tax payable	1,236	1,236	-	-
Total current liabilities	22,487	17,174	4,455	2,804
Capital and reserves				
Share capital	162,713	162,713	162,713	162,713
Accumulated losses	(43,950)	(39,382)	(35,598)	(33,907)
Net equity	118,763	123,331	127,115	128,806
Total liabilities and equity	141,250	140,505	131,570	131,610

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2015		As at 31/12/2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Nil	3,322	Nil	1,626

Amount repayable after one year

As at 31/12/2015		As at 31/12/2014	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Nil	Nil	Nil	Nil

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	12M 2015 RMB'000	12M 2014 RMB'000
Operating activities:		
Loss before income tax	(4,526)	(8,396)
Adjustments for:		
Depreciation of property, plant and equipment	1,640	1,460
Amortisation on prepaid lease premium	355	357
Amortisation of intangible assets	56	-
Allowance for (reversal of) inventories	671	(331)
Bad debts written-off	149	370
Interest income	(1,049)	(1,291)
Unrealised exchange gain	(14)	4
Operating loss before working capital changes	(2,718)	(7,827)
Trade receivables	(395)	10,842
Other receivables and prepayments	1,104	5,657
Inventories	2,087	(13,214)
Property under development	(17,434)	(16,311)
Trade payables	3,709	9,810
Other payables	(92)	(725)
Cash used in operations	(13,739)	(11,768)
Interest received	1,049	1,291
Income tax paid	(42)	(34)
Net cash used in operating activities	(12,732)	(10,511)
Investing activities:		
Decrease/(increase) in structured deposit	33,830	(33,830)
Purchase of property, plant and equipment	(3,067)	(2,550)
Purchase of intangible asset	-	(400)
Net cash generated from/(used in) investing activities	30,763	(36,780)
Financing activities		
Repayment of bank loans	-	(3,137)
Grant received from government	-	51
Receipt of advances from a director	1,696	1,626
Repayment of advance from a non-related party	-	(1,346)
Net cash generated from/ (used in) financing activities	1,696	(2,806)
Net increase (decrease) in cash and cash equivalents	19,727	(50,097)
Cash and cash equivalents at beginning of financial period	8,291	58,392
Effect of exchange rate changes on the balance of cash held in foreign currencies	14	(4)
Cash and cash equivalents at end of financial period	28,032	8,291

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(d)(i)

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital RMB'000	Accumulated losses RMB'000	Net equity RMB'000
<u>Group</u>			
Balance as at 1 January 2014	162,713	(30,962)	131,751
Total comprehensive income for the year	-	(8,420)	(8,420)
Balance as at 31 December 2014	162,713	(39,382)	123,331
Total comprehensive income for the year	-	(4,568)	(4,568)
Balance as at 31 December 2015	162,713	(43,950)	118,763
<u>Company</u>			
Balance as at 1 January 2014	162,713	(32,271)	130,442
Total comprehensive income for the year	-	(1,636)	(1,636)
Balance as at 31 December 2014	162,713	(33,907)	128,806
Total comprehensive income for the year	-	(1,691)	(1,691)
Balance as at 31 December 2015	162,713	(35,598)	127,115

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital

Following the shareholders' approval obtained at an extraordinary general meeting on 13 November 2015, the Company had consolidated its 5 existing issued ordinary shares into 1 ordinary share with effect from 24 November 2015. Accordingly, adjustments had been made to the number of shares.

	Number of ordinary shares
<u>Issued and paid up capital excluding treasury shares</u>	
As at 31 December 2014 and 1 October 2015	313,800,000
Consolidation of shares	(251,040,001)
As at 31 December 2015	<u>62,759,999</u>

- 1(d)(iii) To show the total number of issued shares excuding treasury share as at the end of the current financial period and as at the end of the immediate preceding year.**

	As at 31 Dec 2015	As at 31 Dec 2014
Total number of issued shares	<u>62,759,999*</u>	<u>313,800,000</u>

*After completion of share consolidation on 24 November 2015.

There are no treasury shares as at 31 December 2015 and 31 December 2014.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings Per Share

	Group 12M 2015 RMB Cents	Group 12M 2014 RMB Cents (Restated)
Loss per ordinary share were:		
Based on the weighted average number of ordinary shares on issue;	(7.28)	(13.42)
and		
On a fully diluted basis	(7.28)	(13.42)

After the completion of share consolidation on 24 November 2015, the Company has consolidated 5 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share for the corresponding period in 2014 has been adjusted for the effect of the share consolidation.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net Asset Value	Group 31/12/2015 RMB Cents	Group 31/12/2014 RMB Cents (Restated)	Company 31/12/2015 RMB Cents	Company 31/12/2014 RMB Cents (Restated)
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	189.23	196.51	202.54	205.24

After the completion of share consolidation on 24 November 2015, the Company has consolidated 5 ordinary shares into 1 ordinary share in the capital of the Company and the weighted average number of ordinary shares used for the calculation of earnings per share for the corresponding period in 2014 has been adjusted for the effect of the share consolidation.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement

Revenue of the Group's pharmaceutical ingredient products segment increased more than double for the financial year ended 31 December 2015 ("FY2015") to RMB31.9 million compared to the corresponding period. The increase was mainly due to the contribution from our new pharmaceutical ingredient products.

With significant sales growth and improvement in gross margin due to higher margin generated by the sale of new products, the Group recorded gross profit of RMB2.3 million for FY2015 as compared to a gross loss of RMB137,000 for the FY 2014.

Other operating income decreased by 7.3% to RMB1.4 million against the corresponding year mainly due to the lower interest income received from structured deposit after it had matured in 3Q 2015.

Administrative expenses were lower by 22.6% or RMB2.2 million in FY2015 compared to FY2014 mainly due to lower staff cost amounting to approximately RMB3.2 million and lower research and development expenses amounting to RMB 587,000. Selling and distribution expenses comprising mainly delivery and packaging expenses were significantly higher in FY2015 than the previous year in line with revenue growth.

Statement of Financial Position

The Group's current assets were RMB85.6 million as at 31 December 2015, an increase of RMB2.9 million from RMB82.7 million as at 31 December 2014. This was mainly due to higher properties under development. Properties under development increased by RMB 20.6 million from RMB 15.3 million in FY2014 to RMB35.8 million as at 31 December 2015. Inventories decreased by RMB2.8 million mainly because of higher sales. Trade receivables and other receivables did not change significantly compared to one year ago.

The Group's non-current assets decreased by RMB2.1 million from RMB57.8 million as at 31 December 2014 to RMB55.7 million. The decrease was mainly due to the refund of deposit for land cost amounting to RMB2.0 million.

The Group's current liabilities were RMB22.5 million as at 31 December 2015, an increase of RMB 5.3 million from RMB 17.2 million as at 31 December 2014. This was mainly because payments to trade creditors were slower and advance from a Director increased during the year.

Statement of Cash Flows

Overall, the Group registered a net cash increase of approximately RMB 19.7 million, adjusted for the effect of foreign exchange, for FY2015. The overall net cash increase was mainly attributable to net cash generating from investing activities amounting to RMB 30.8 million due to the maturity of structured deposit. The receipt of interest-free advances (with no repayment term) was amounting to RMB1.7 million from a Director for the Company's daily working cash flow requirements in Singapore. Cash used in operating activities amounting to RMB 12.7 million offset the increase partially.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

As disclosed in the results announcement for the financial period ended 30 September 2015, the Management would monitor and opt for the appropriate timing to launch the sales of the residential project of Suntar Eco-city. The Company observed that the pharmaceutical ingredients industry in the People's Republic of China remained competitive and raw material prices remained high. In this respect, the Company continued to expect some downward pressure on the profit margin for the industry.

Save as aforesaid, the current results for 4Q 2015 are in line with the general prospect commentary previously.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Company has carried out the facilities and infrastructure implement to meet SFDA GMP standard. As expected, the new GMP license should be awarded in the coming months and the Company will produce pharmaceuticals instead of intermediate.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividends have been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transaction.

14. Use of initial public offering proceeds

Please refer to the company's announcement through SGXnet on 14 November 2013 for the use of IPO proceeds.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

As the property development division has not commenced any sales of property, the Group's revenue, profit or loss for the year is mainly from the pharmaceutical ingredients products division, which is the manufacturing and sale of hormone-type pharmaceutical products.

As the Group's main assets and revenue are in People's Republic of China. Accordingly, no geographical segment information is presented.

	Pharmaceutical ingredients products RMB'000	Property development RMB'000	Unallocated RMB'000	Total RMB'000
<u>Statement of Net Assets</u>				
<u>2015</u>				
Assets:				
Segment assets	55,707	84,333	-	140,040
Unallocated assets			1,210	<u>1,210</u>
Total assets				<u>141,250</u>
Liabilities:				
Segment liabilities	10,922	6,887	-	17,809
Unallocated liabilities			4,678	<u>4,678</u>
Total liabilities				<u>22,487</u>
	Pharmaceutical ingredients products RMB'000	Property development RMB'000	Unallocated RMB'000	Total RMB'000
<u>2014</u>				
Assets:				
Segment assets	60,442	79,811	-	140,253
Unallocated assets			252	<u>252</u>
Total assets				<u>140,505</u>
Liabilities:				
Segment liabilities	12,913	1,263	-	14,176
Unallocated liabilities			2,998	<u>2,998</u>
Total liabilities				<u>17,174</u>

Information about major customers

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

	<u>2015</u> RMB'000	<u>2014</u> RMB'000
Customer A	12,229	3,910
Customer B	7,268	3,282
Customer C	<u>4,355</u>	<u>1,286</u>

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8.

17. A breakdown of sales.

		Group RMB'000 31/12/2015	Group RMB'000 31/12/2014	+ / (-) %
(a)	Sales reported for first half year	15,007	2,058	n.m.
(b)	Operating loss before deducting minority interest reported for first half year	(2,068)	(2,072)	(0.2)
(c)	Sales reported for second half year	16,871	8,116	n.m
(d)	Operating profit/(loss) before deducting minority interest reported for second half year	(2,500)	(6,348)	-60.6.

n.m. – not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

		Latest full year RMB'000 31/12/2015	Previous full year RMB'000 31/12/2014
(a)	Ordinary	-	-
(b)	Preference	-	-
	Total	-	-

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lan Weiguang	52	Brother of Lan Chunguang, Executive Director and Chief Executive Officer	Non-Independent Non-Executive Chairman, 2006	Nil
Lan Chunguang	48	Brother of Lan Weiguang, Non-Independent Non-Executive Chairman	Chief Executive Officer, 2010	Responsible for the overall management
Lan Yihong	29	Son of Lan Weiguang, Non-Independent Non-Executive Chairman	Executive Director and Finance Director, 2015	Responsible for the strategic development of the Group and all aspects of financial planning and financial reporting matters of the Company

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Chairman

29 February 2016