



STAR

STAR PHARMACEUTICAL LIMITED

Registration No. 200500429W

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

PART 1 – 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.

	Group			Group		
	RMB'000		(%)	RMB'000		(%)
	3 months ended 31 December 2015	3 months ended 31 December 2014	Increase/ (decrease) +/-	Year ended 31 December 2015	Year ended 31 December 2014	Increase/ (decrease) +/-
	(a)	(b)	(a) – (b)	(a)	(b)	(a) – (b)
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
Revenue	23,123	27,628	(16)	90,192	97,570	(8)
Cost of sales	(18,262)	(19,560)	(7)	(59,913)	(61,259)	(2)
Gross Profit	4,861	8,068	(40)	30,279	36,311	(17)
Other operating income	333	3,528	(91)	3,566	38,167	(91)
Selling and distribution expenses	(3,821)	(1,188)	222	(8,649)	(7,376)	17
Administrative expenses	(3,115)	(4,977)	(37)	(16,056)	(17,945)	(11)
Other operating expenses	(3,064)	(1,130)	171	(3,373)	(2,342)	44
(Loss) / Profit from operations	(4,806)	4,301	n.m	5,767	46,815	(88)
Financial income	1,149	550	109	2,725	925	195
Financial expenses	33	(89)	n.m	(169)	(293)	(42)
(Loss) / Profit before income tax	(3,624)	4,762	n.m	8,323	47,447	(82)
Income tax (expense) /credit	(76)	4,346	n.m	(2,299)	2,433	n.m
(Loss) / Profit for the period/year	(3,700)	9,108	n.m	6,024	49,880	(88)
Attributable to:						
Equity holders of the parent	(3,700)	9,108	n.m	6,024	49,880	(88)
Minority interest	-	-	-	-	-	-
(Loss) / Profit for the period/year	(3,700)	9,108	n.m	6,024	49,880	(88)
(Loss)/Profit per share (RMB cents)						
- Basic (weighted average)	(7.90)	19.45*		12.86	106.52*	
- Fully diluted	(7.90)	19.45*		12.86	106.52*	

n.m – not meaningful.

* Restated to reflect the effects of Share Consolidation during the current financial year, please refer to Paragraph 1(d)(ii).

Consolidation Statement of Comprehensive Income for the year

	Group			Group		
	RMB'000		(%)	RMB'000		(%)
	3 months ended 31 December 2015 (Unaudited)	3 months ended 31 December 2014 (Unaudited)	Increase/ (decrease) +/(-)	Year ended 31 December 2015 (Unaudited)	Year ended 31 December 2014 (Audited)	Increase/ (decrease) +/(-)
(Loss) / Profit for the period/year	(3,700)	9,108	n.m	6,024	49,880	(88)
Other comprehensive income:						
Exchange difference on consolidation	-	-		-	-	
Other comprehensive (loss) / income for the period/year, net of tax	(3,700)	9,108	n.m	6,024	49,880	(88)
Total comprehensive (loss) / income attributable to :						
Equity holders of the period/year	(3,700)	9,108	n.m	6,024	49,880	(88)
Minority interest	-	-		-	-	
	(3,700)	9,108	n.m	6,024	49,880	(88)

Notes to Income Statement:

1.	Group		Group	
	RMB'000		RMB'000	
	3 months ended 31 December 2015 (Unaudited)	3 months ended 31 December 2014 (Unaudited)	Year ended 31 December 2015 (Unaudited)	Year ended 31 December 2014 (Audited)
(Loss) / Profit before tax is arrived at after charging / (crediting) :				
Interest income	658	550	2,234	925
Interest on borrowings	-	-	-	111
Foreign exchange (gain) / loss	(42)	82	134	145
Depreciation of property, plant and equipment	1,544	2,284	5,887	6,250
Depreciation of investment property	57	57	231	230
Amortization of deferred development costs	5	597	20	2,390
Amortization of lease prepayment	19	17	76	74
Loss /(Gain) on disposal of property, plant and equipment	9	17	(29)	17
Allowance for impairment of deferred development cost	-	472	-	472
Allowance for impairment of product development cost in progress	2,784	-	2,784	-

2. On 30 April 2014, the Group disposed all equity interests in Beida Shijia Technology Development Co., Ltd (“Beida Shijia”) and Beijing Shijia JiuShengYuan Pharmaceutical Technology Development Co., Ltd (“Jiu Sheng Yuan”) to Jin Merchants Alliance Holding Co., Ltd for the net consideration of RMB 25,000,001. This resulted in a gain on disposal amounting to approximately RMB 31,269,000, included in other operating income in year ended 31 December 2014.

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

	Note	Group		Company	
		31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		RMB'000 (Unaudited)	RMB'000 (Restated) [#]	RMB'000 (Unaudited)	RMB'000 (Restated) [#]
Non-current assets					
Property, plant and equipment		54,445	52,160	4,049	-
Investment property		2,594	2,825	-	-
Investment in subsidiary		-	-	76,607	76,607
Lease prepayments		766	842	-	-
Intangible assets	(a)	6,128	8,092	-	-
Deferred tax assets		1,567	3,945	-	-
Long-term deposits	(b)	21,889	7,143	-	-
		87,389	75,007	80,656	76,607
Current assets					
Inventories		16,027	32,770	-	-
Trade and bills receivables		7,886	461	-	-
Other receivables, prepayments and deposits	(b)	12,330	18,472	-	19
Income tax recoverable		963	963	-	-
Due from subsidiary (non-trade)		-	-	44,850	35,850
Cash and bank balances		53,481	56,329	4,788	2,565
		90,687	108,995	49,638	38,434
Total assets		178,076	184,002	130,294	115,041
Equity					
Share capital		144,975	144,975	144,975	144,975
Statutory reserves		21,314	19,910	-	-
Accumulated losses		(13,033)	(17,653)	(15,933)	(31,195)
Total equity		153,256	147,232	129,042	113,780
Non-current liabilities					
Deferred tax liabilities		121	200	-	-
		121	200	-	-
Current liabilities					
Trade and other payables		24,699	36,570	1,252	1,261
		24,699	36,570	1,252	1,261
Total liabilities		24,820	36,770	1,252	1,261
Total equity and liabilities		178,076	184,002	130,294	115,041

[#] Restated as explained in note (b)

Notes:

- (a) Intangible assets comprise mainly of Deferred Development Cost with nil carrying value. (As at 31/12/2014: RMB 20,000) and Product Development in Progress of RMB 6,128,000 (As at 31/12/2014: RMB 8,072,000).
- (b) The classification method of investment deposits of R&D projects applied in the full-year financial statements of FY2014 has been restated and presented in the full-year announcement of FY2015. The Company re-assessed the classification of the investment deposits of R&D as current or non-current assets based on its typical operating cycle of the R&D projects.

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

	As at 31 December 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
(a) Amount repayable in one year or less, or on demand	-	-	-	-
(b) Amount repayable after one year	-	-	-	-

1(c) Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow statement for the period ended 31 December

Group	RMB'000		RMB'000	
	3 months ended 31 December 2015	3 months ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Cash flow from operating activities				
(Loss) / Profit before income tax	(3,624)	4,762	8,323	47,447
Adjustments for:				
Amortisation of deferred development costs	5	597	20	2,390
Amortisation of lease prepayment	19	17	76	74
Depreciation of property, plant and equipment	1,544	2,284	5,887	6,250
Depreciation of investment property	57	57	231	230
Loss / (Gain) on disposal of property, plant and equipment	9	17	(29)	17
Allowance for impairment of deferred development cost	-	472	-	472
Allowance for impairment of product development in progress	2,784	-	2,784	-
Reversal of impairment on product development cost in progress	-	(2,704)	-	(2,704)
Gain on disposal of subsidiaries	-	-	-	(31,269)
Interest expense	-	-	-	111

Interest income	(658)	(550)	(2,234)	(925)
Operating profit before working capital changes	136	4,952	15,058	22,093
Changes in working capital:				
Inventories	118	(12,880)	16,743	(17,610)
Trade and bills receivables	(3,293)	(15)	(7,425)	2,741
Other receivables, prepayments and deposits	(2,148)	(1,122)	(7,504)	(2,483)
Trade and other payables	(4,347)	12,861	(10,908)	16,961
Cash (used in) / generated from operations	(9,534)	3,796	5,964	21,702
Income tax paid	-	(338)	-	(2,213)
Net cash (used in) / generated from operating activities	(9,534)	3,458	5,964	19,489
Cash flows from investing activities				
Payments for product development in progress	-	(1,530)	(840)	(1,530)
Purchase of property, plant and equipment	(1,710)	(1,588)	(8,203)	(2,895)
Prepayment for plant and equipment	151	247	(317)	(267)
Advances for product manufacturing rights and technical know-how	1,420	(880)	(19,746)	(3,200)
Proceeds from disposal of property, plant and equipment	-	10	60	10
Refund of deposit from potential investments	5,740	-	18,000	-
Proceeds from disposal of subsidiaries, net of cash disposed of	-	15,000	-	38,101
Payment of introducer fee related to the disposal of subsidiaries	-	(15,000)	-	(15,000)
Interest received	658	550	2,234	925
Net cash generated from / (used in) investing activities	6,259	(3,191)	(8,812)	16,144
Cash flows from financing activities				
Interest paid	-	-	-	(111)
Net cash used in financing activities	-	-	-	(111)
Net (decrease) / increase in cash and cash equivalents	(3,275)	267	(2,848)	35,522
Cash and cash equivalents at beginning of the period	56,756	56,062	56,329	20,807
Cash and cash equivalents at end of the period/year	53,481	56,329	53,481	56,329

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

Consolidated Statement of Changes in Shareholders' Equity for the period ended 31 December

<u>Group</u>	Share capital	Statutory reserves	Accumulated (losses)	Total attributable to equity holders of the parents	Minority interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2014	144,975	19,910	(67,533)	97,352	470	97,822
Total comprehensive income for the year	-	-	49,880	49,880	-	49,880
Disposal of subsidiaries	-	-	-	-	(470)	(470)
At 31 December 2014	144,975	19,910	(17,653)	147,232	-	147,232
At 1 January 2015	144,975	19,910	(17,653)	147,232	-	147,232
Total comprehensive income for the year	-	-	6,024	6,024	-	6,024
Transfer	-	1,404	(1,404)	-	-	-
At 31 December 2015	144,975	21,314	(13,033)	153,256	-	153,256

<u>Company</u>	Share capital	Accumulated (losses)	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2014	144,975	(27,656)	117,319
Total comprehensive loss for the year	-	(3,539)	(3,539)
At 31 December 2014	144,975	(31,195)	113,780
At 1 January 2015	144,975	(31,195)	113,780
Total comprehensive income for the year	-	15,262	15,262
At 31 December 2015	144,975	(15,933)	129,042

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 issuer, 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.

Issued and Paid-Up Capital	Number of Shares	Share Capital (RMB)
As at 31 December 2014 (audited)	234,125,000	144,974,729
As at 31 December 2015 (unaudited)	46,824,999	144,974,729

On 30 April 2015 during an Extraordinary General Meeting, the shareholders of the Company approved the consolidation of every five (5) existing ordinary shares of the Company into one (1) ordinary share (“Share Consolidation”). The Share Consolidation was completed on 26 May 2015 when 234,125,000 existing ordinary shares were consolidated into 46,824,999 ordinary shares.

The Company did not have any outstanding convertibles and treasury shares 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.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Year ended 31 December 2015	Year ended 31 December 2014
Total number of issued shares excluding treasury shares	46,824,999 #	234,125,000

After the completion of share consolidation of five (5) existing issued ordinary shares into one (1) ordinary share on 26 May 2015.

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

Not applicable. There were no treasury shares during and as at end of the current financial period reported on.

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

The figures have neither been audited nor reviewed by the Group'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 and methods of computation applied in the financial statements for the current financial year are consistent with those of the audited financial statements for the year ended 31 December 2014.

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.

The adoption of certain new/revised accounting standards effected on 1 January 2015 have no significant impact on the Group's result of operations.

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.

	Group		Group	
	3 months ended 31 December 2015	3 months ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
		(Restated)*		(Restated)*
Net amount attributable to equity shareholders for the period/year (RMB'000)	(3,700)	9,108	6,024	49,880
No. of ordinary shares used in calculation of basic (loss) / profit per share	46,824,999	46,824,999	46,824,999	46,824,999
(Loss) / profit per ordinary share of the group, based on net (loss) / profit attributable to the shareholders of the Company (in RMB cents):				
(a) Based on weighted average number of ordinary share on issue: and (in RMB cents)	(7.90)	19.45	12.86	106.52
(b) On a fully diluted basis (in RMB cents)	(7.90)	19.45	12.86	106.52

*Comparative weighted average number of ordinary shares and basic and diluted earning per ordinary share has been adjusted to reflect the effects of Share Consolidation during the current financial year.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
 (a) current financial year reported on ; and
 (b) immediate preceding financial year.

	Group		Company	
	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Net asset value per ordinary share capital at the end of the year (in RMB cents)	327.30	62.89	275.58	48.60
Number of shares (in issued)	46,824,999	234,125,000	46,824,999	234,125,000

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 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.

Overview

Despite the Group continuing to face adverse business conditions in FY2015 aggravated by the ongoing price pressure from the drug prices intervention regulation by PRC government, they managed to achieve RMB6.0 million in net profit attributable to equity holders and revenue recorded of RMB90.2 million in FY2015.

Revenue

Group revenue fell 8% from RMB97.6 million in FY2014 to RMB90.2 million in FY2015 owing to lower antibiotics and other specialized drug sales, it offset partly by increase of Cardiovascular drugs and Cerebrovascular drugs sales.

	3 months ended 31 December 2015	3 months ended 31 December 2014	Change		Year ended 31 December 2015	Year ended 31 December 2014	Change	
	RMB'000	RMB'000	%	RMB'000	RMB'000	RMB'000	%	RMB'000
Antibiotics	7,556	11,481	(34)	(3,925)	32,921	38,693	(15)	(5,772)
Cardiovascular drugs and cerebrovascular drugs	1,349	1,062	27	287	3,928	3,696	6	232
Other specialized drugs	14,218	15,085	(6)	(867)	53,343	55,181	(3)	(1,838)
Total	23,123	27,628	(16)	(4,505)	90,192	97,570	(8)	(7,378)

Antibiotics sales fell 15% to RMB32.9 million in FY2015 on softening demand for Azithromycin Aspartate for Injection and Cefepime Hydrochloride for Injection. Antibiotics accounted for 37% of Group revenue in FY2015, making it the second largest revenue contributor.

Cardiovascular drugs and cerebrovascular drugs sales rose 6% to RMB3.9 million in FY2015. This is mainly due to growing demand for the Vinpocetine for Injection. Cardiovascular drugs and cerebrovascular drugs represented 4% of Group revenue in FY2015.

Other specialized drugs dipped 3% to RMB53.3 million in FY2015 due to the decrease in the sales of Potassium Sodium Dehydroandrographolide Succinate for Injection and Ropivacaine Mesilate for Injection. Other specialized drugs remained the largest revenue contributor constituting 59% of Group revenue in FY2015.

Profitability

Gross profit decreased 17% to RMB30.3 million in FY2015 mainly due to lower demand for the antibiotics and lower gross profit margins due to government's price intervention pressures in pharmaceutical products.

Other operating income declined 91% from RMB38.2 million in FY2014 to RMB3.6 million in FY2015 as result of the gain on disposal of 80% of the equity interest in Beida Shijia and 60% equity interest in Jiu Sheng Yuan from the Group amounting to approximately RMB 31.3 million in FY2014.

Selling and distribution expenses increased 17% to RMB8.6 million in FY2015 from RMB7.4 million in FY2014 due to the Group strengthening its sales force and marketing and branding activities.

Administrative expenses fell 11% to RMB16.0 million in FY2015 caused by the decreased in expenses resulting from the disposal of subsidiaries in FY2014.

Other expenses increased by 44% to RMB3.4 million in FY2015 due to the RMB2.8 million impairment charges of product development in progress in 4Q2015.

Finance income jumped 195% to RMB2.7 million mainly due to more interest income received during the year.

Finance expenses dropped 42% to RMB0.2 million resulting from mitigating expenses incurred from disposal of subsidiaries.

Tax expenses turned around to RMB2.3 million in FY2015 from RMB2.4 million of tax credit in FY2014. The tax credit was due to recognition of unutilized tax loss amounting to RMB2.0 million of deferred tax assets, and a reversal of overprovision of corporate tax amounting to RMB0.4 million.

As a result, the Group recorded a 88% decrease in net profit attributable to equity holders from RMB49.9 million in FY2014 to RMB6.0 million in FY2015.

Financial Position

(31 December 2015 vs. 31 December 2014)

Non-current assets rose from RMB75.0 million to RMB87.4 million. Property, plant and equipment increased from RMB52.2 million to RMB54.4 million due to additional equipments purchased to improve productivity. Intangibles assets fell from RMB8.1 million to RMB6.1 million due to the impairment charges of product development in progress amounting to RMB2.8 million. Long-term deposits rose to RMB21.9 million in FY2015 mainly due to advance payments of RMB19.7 to third party research and development vendors to develop 6 new medical products offset by the refund deposits from potential R&D investments during the year.

Current assets decreased from RMB109.0 million to RMB90.7 million. Inventories level declined from RMB32.8 million to RMB16.0 million due to the completion of some subcontracting manufacturing services. Trade & bills receivables jumped from RMB0.5 million to RMB7.9 million on higher bills receivables from daily operations. Other receivables, prepayments and deposits fell from RMB18.5 million to RMB12.3 million as a result of the deposits refund from R&D investments. Cash and bank balances decreased from RMB56.3 million to RMB53.5 million as a result of the refund deposits of R&D investments offset by the advance payments for develop new medical products during FY2015.

Non-current liabilities comprising of deferred tax liabilities fell from RMB0.2 million to RMB0.1 million.

Trade and other payables fell from RMB36.6 million to RMB24.7 million due to settlement of most of the debts from raw materials purchases in FY2014.

Cash Flow Statement

The Group's net cash inflow from operating activities in FY2015 amounted to RMB6.0 million. This was mainly due to the Group's usual operating business. The net cash outflow of RMB9.5 million in 4Q2015 was mainly due to the reduction of material purchase for subcontracting manufacturing service and the increase of bills receivables from sales.

Net cash used in investing activities in FY2015 amounted to RMB8.8 million and net cash generated in 4Q2015 amounted to RMB6.3 million. This was primarily due to the advance payments of RMB19.7 million in FY2015 to third party research and development vendors to develop new medical products on behalf of the Group as well as some additional purchase of equipment to improve productivity. The cash outflow in FY2015 was partially offset by the refund of RMB18.0 million deposits from potential R&D investments during the year.

No cash flow from financing activities in FY2015 and 4Q2015.

As a result, the net cash outflow in FY2015 amounted to RMB2.8 million and RMB3.3 million in 4Q2015.

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

Not applicable.

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.

Facing the ongoing healthcare reform, pricing pressure and industrial competition in China pharmaceutical market, the Group expects the business prospects to remain challenging for the coming year.

To sustain the growth, the Group will continue to drive revenue expansion and operational efficiency. The Group will also continue to maintain the investment strategy in Research and Development to roll out new products for sale.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Ordinary Shares:

No.

(b) Corresponding Period of the immediately preceding financial year

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

Ordinary Shares:

No.

(c) Date payable

Ordinary Shares:

Not applicable.

(d) Book Closure Date

Ordinary Shares:

Not applicable.

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

No dividend has been declared or recommended for the current period reported on.

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.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Hainan Selection Pharmaceutical Co., Ltd.	RMB1,891,000	Nil

The value of IPT of the Group is below 3% of the Group's latest net tangible assets as at 31 December 2015.

The Company has not obtained a general mandate from shareholders for interested person transactions.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **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.**

The Group's main businesses are those relating to the manufacturing and sales of pharmaceutical products and it operates mainly in the People's Republic of China ("PRC"). Accordingly, the Group is not subjected to different risks and returns in its activities and geographical regions in which it operates.

15. 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 Note 8 for the review of performance by business.

16. A breakdown of sales.

	FY2015	FY2014	Increases/(Decreases)	
	RMB'000	RMB'000	RMB'000	%
Revenue for first half of the year	43,377	45,846	(2,469)	(5.39)
Operating profit after tax for the first half of the year	6,221	37,526	(31,305)	(83.42)
Revenue for second half of the year	46,815	51,724	(4,909)	(9.49)
Operating (loss) / profit after tax for the second half of the year	(197)	12,354	n.m.	n.m.

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

	FY2015	FY2014
	RMB'000	RMB'000
Ordinary Shares	-	-
Preference Shares	-	-
Total	-	-

18. 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. If there are no such persons, the issuer must make an appropriate negative statement.

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
NIL				

By Order of the Board

Xu Zhi Bin
Executive Chairman
29 February 2016