This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with an investment in the Offer Shares. Some of the particular risks associated with an investment in the Offer Shares are set out in the section headed "RISK FACTORS" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are an integrated pharmaceutical company principally engaged in the research, manufacturing and sale of modern Chinese medicines and medical contrast medium in the PRC. According to SMERI Report, our key product, uremic clearance granule (尿毒清顆粒), is a leading modern Chinese medicine for treating kidney disease in the PRC. It has consistently ranked first in the market of oral modern Chinese medicines for kidney disease in the PRC from 2008 to 2012 in terms of retail sales, commanding a market share of 24.1% in 2012. It has also consistently ranked among the top three in the market of kidney medicines in the PRC from 2008 to 2012 in terms of retail sales. Our other key product, gadopentetate dimeglumine injection (釓噴酸葡胺注射液), was ranked third in the market of MRI medical contrast medium in the PRC in 2012 in terms of retail sales, commanding a market share of 17.1%, according to SMERI Report.

We have established our own research and development laboratory for kidney medicines in 2006, which was awarded by the government of Inner Mongolia autonomous region as a "Research and Development Centre of Enterprises in Inner Mongolia Autonomous Region" (內蒙古自治區企業研發中心) in November 2012. Our dedicated in-house research and development team comprised 60 research personnel as of 30 June 2013, of whom four hold doctorate degree or master's degree in pharmaceutical related areas, and more than half of our research personnel have over ten years of experience in the PRC pharmaceutical industry. We have also formed collaboration with various research institutions, hospitals and universities in the PRC to jointly develop new pharmaceutical products, applications of existing products, product formulation, production methods or techniques and benefit from their expertise, skills, resources and knowledge in these areas. We seek to develop new medicines addressing major unmet medical needs, with the objective of contributing to the health improvement of the public and to capture a significant portion of market share in new markets, as well as to enrich our product offering. As of the Latest Practicable Date, we had seven product candidates in various stages of development, including two potential kidney medicines, four potential medical contrast mediums and one potential digestive medicine.

As of 30 June 2013, we had established 31 liaison points covering 30 provinces, autonomous regions, and municipality cities across the PRC. Such liaison points enable our marketing team to provide immediate marketing services and support to our customers. As of 30 June 2013, our marketing team comprised over 550 dedicated marketing representatives, the majority of whom have professional background in medical, pharmaceutical, marketing or other related areas. As pharmaceutical products generally require a higher level of customer knowledge than ordinary consumer goods, and in particular, as our key products are prescription medicines, we consider that sharing specialist knowledge and information with medical practitioners in hospitals, medical institutions and pharmacies and collecting their feedbacks are essential in promoting our products. By doing so, we aim to enrich and update medical practitioners' knowledge of our specialist medicines and other information on relevant therapeutic areas. Through such interaction, we directly market and promote our kidney medicines and medical contrast medium to hospitals, medical institutions and pharmacies. As part of our marketing activities, we sponsor and attend national and international academic conferences, organise various academic conferences at which renowned scholars are invited to give presentations on the functions of our specialist

pharmaceutical products and exchange ideas on future development in the relevant therapeutic areas. In addition, through our co-operation with professional academic bodies such as Chinese Medical Association (中華醫學會) and Chinese Medical Doctor Association (中國醫師協會), we offer continuing education courses for medical practitioners in respect of kidney disease and medical contrast medium. In addition, to achieve deep market penetration in a more effective manner, we engage Independent Third Party distributors to distribute our kidney medicines and medical contrast medium. These third party distributors are GSP certified corporations and have extensive geographic distribution network with strong logistics support. They are only responsible for reselling and distributing our products to hospitals, medical institutions and pharmacies either directly or indirectly through other sub-distributors. This distribution arrangement enables us to focus our resources in research and development, manufacturing, and marketing of our products, as we do not need to maintain an extensive GSP certified distribution network with logistics coverage at our own expenses.

As of the Latest Practicable Date, five of our 11 current pharmaceutical products, including our uremic clearance granule and our gadopentetate dimeglumine injection, were subject to retail price controls imposed by the PRC government in the form of maximum retail prices. As a result, these products cannot be sold above their prescribed retail prices. Since April 2010, our uremic clearance granule has enjoyed differentiated pricing treatment (差別定價) in Guangdong province as approved by Guangdong Pricing Bureau, whereby a higher maximum retail price of our uremic clearance granule can be set for Guangdong province and the pharmaceutical products procurement office in Guangdong province (廣東省醫藥採購中心) is allowed to adjust upward our successful bidding price. Such treatment indirectly allows us to increase the wholesale price of our uremic clearance granule at which we sell to our third party distributors in Guangdong province.

OUR HISTORY

Our Group's history can be traced back to 1997 when our predecessor, Consun Pharmaceutical Factory (康臣製藥廠), established GZ Consun in December 1997. GZ Consun subsequently became a WFOE of Cannopus in December 1998.

Our two key products, gadopentetate dimeglumine injection and uremic clearance granule, were commercially launched in 1998. In 2006, we established our own research and development laboratory for kidney medicines. In the same year, the production technique of our uremic clearance granule was patented by SIPO and its formula and key production technique were recognised by the Ministry of Science and Technology and State Secrecy Bureau (國家保密局) as State Secret under the secret category for a term of five years, which status was subsequently extended to and expired in October 2013. As of the Latest Practicable Date, we had not been informed of the status of the renewal of the State Secret status by the relevant authorities. With our research and development efforts, kidney repair and edema alleviation granule, being our other kidney medicine and a future growth contributor, was commercially launched in 2009.

In 2003, our Guangzhou production plant obtained the GMP certification. We expanded our operation to Tongliao, Inner Mongolia autonomous region with the establishment of Consun (Inner Mongolia) in December 2005. Our production plant in Tongliao, Inner Mongolia autonomous region, obtained the GMP certification and commenced production in 2008. This plant enabled us to benefit from the close proximity of the key Chinese herbs plantation bases. We strategically acquired Kangyuan in October 2009 to further strengthen our production capacity in Inner Mongolia autonomous region.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and distinguish us from our competitors:

- Leading position in the market of oral modern Chinese medicines for kidney disease in the PRC;
- Strong marketing capabilities with extensive national sales network;
- Strong research and development capabilities with the ability to realise commercialisation;
- Comprehensive production facilities in strategically located production plants with stringent quality control; and
- Experienced and committed management team.

STRATEGIES

Our goal is to consolidate our leading position in the market of oral modern Chinese medicines for kidney disease in the PRC which has a high growth potential given the low awareness rate of chronic kidney disease in the PRC, and capture more market share in the market of medical contrast medium in the PRC. To achieve this goal, we plan to implement the following strategies:

- Continue to enrich our product offering;
- Extend our marketing and distribution network and strengthen our marketing efforts;
- Further strengthen our research and development capabilities;
- Continue to increase our brand recognition;
- Expand our business through selective strategic acquisitions, investments or partnerships; and
- Continue to cultivate and recruit talented employees who are essential to our businesses.

OUR PRODUCTS

Our products are divided into three product categories according to their therapeutic areas, namely kidney medicines, medical contrast medium and other medicines.

Kidney medicines

We launched our key kidney medicine, uremic clearance granule, in 1998, which was the first modern Chinese medicine for treating chronic kidney failure in the PRC. Our uremic clearance granule is listed in the National List of Essential Medicines and the National Medical Insurance Medicines Catalogue, and benefits from the Provisional Measures on the Administration of the National List of Essential Medicines (國家基本藥物目錄管理辦法(暫行)) and Provisional Measures for the Administration of the Scope of Basic Medical Insurance Coverage for Pharmaceutical

Products for Urban Workers (城鎮職工基本醫療保險用藥範圍管理暫行辦法), respectively. The production technique of our uremic clearance granule was patented by SIPO in October 2006 and our uremic clearance granule has been recognised as a class two national Chinese medicine protection type by the CFDA from December 2000 to December 2014, which prohibited manufacturing of our uremic clearance granule by other person or entity except under certain special circumstances mentioned in the section headed "BUSINESS – OUR PRODUCTS – Kidney medicines – *Uremic clearance granule (尿毒清顆粒)*" in this prospectus. We are entitled and plan to apply for the renewal of the term thereof before expiration in accordance with the relevant laws and regulations. For the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, sales of uremic clearance granule represented approximately 76.5%, 77.4%, 75.9% and 74.9% of our turnover, respectively.

To supplement our kidney medicines, we launched our kidney repair and edema alleviation granule, which is a modern Chinese medicine mainly used for treating chronic glomerulonephritis and reducing proteinuria, in 2009. Since then, the sales of our kidney repair and edema alleviation granule has experienced rapid growth. For the three years ended 31 December 2010, 2011 and 2012, the turnover from the sale of our kidney repair and edema alleviation granule were RMB0.6 million, RMB2.0 million and RMB5.0 million, respectively, representing a CAGR of 196.3% over the period. For the six months ended 30 June 2012 and 2013, the turnover from such product were RMB1.8 million and RMB4.0 million, respectively, representing an increase of 117.9%.

Medical contrast medium

Our other key product, gadopentetate dimeglumine injection, is a medical contrast medium used for magnetic resonance image formation. We were the first pharmaceutical company which obtained the New Medicine Certificate and production approval for a MRI medical contrast medium in the PRC. For the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, sales of gadopentetate dimeglumine injection represented approximately 14.3%, 13.3%, 14.3% and 17.7% of our turnover, respectively.

Other medicines

In addition to our kidney medicines and medical contrast medium, we also offer a wide range of other medicines, including both prescription medicines and OTC medicines. These medicines are used for treating various diseases, including malnutrition and hypoproteinemia, chronic anemia, and seasonal or perennial allergic rhinitis.

Prior to the acquisition of Kangyuan, GZ Consun originally held the production approvals for six medicines, including four kidney medicines, one medical contrast medium and one other medicine. We acquired the production approvals of 78 other medicines when we first acquired 63.3% equity interest in Kangyuan in 2009, and we continued to manufacture and sell 17 of them during the Track Record Period. As these other medicines generally have lower gross profit margins, we have gradually ceased production and sale of 12 of these medicines since March 2010 and have ceased selling all these 12 medicines by June 2013. For the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, turnover from these 12 medicines were RMB5.7 million, RMB4.2 million, RMB3.1 million and RMB0.1 million, respectively, representing approximately 1.9%, 1.1%, 0.7% and 0.0% of our turnover for the same periods, respectively.

Going forward, we will continue to focus our production and marketing resources in our major products, including uremic clearance granule and gadopentetate dimeglumine injection, which we believe we have competitive advantages in the relevant markets and enjoy relatively higher gross

profit margins, so that a stable revenue can be generated to support our business expansion and our research and development activities. As the cost of maintaining the production approvals of the 73 medicines which we do not currently manufacture and sell is minimal, we will continue to maintain such production approvals.

OUR PRODUCTION FACILITIES

We produce all of our products in our three self-owned production plants, which are located in Guangzhou, Guangdong province and Tongliao, Inner Mongolia autonomous region, all of which have obtained GMP certifications. These production plants house 13 production lines of injection, granules, tablets, pills, capsules and oral solution. The following table sets forth our production capacity and utilisation rates for our uremic clearance granule, gadopentetate dimeglumine injection and kidney repair and edema alleviation granule during the Track Record Period:

		Year ended 31 December									Six months ended 30 June		
		2010			2011			2012			2013		
Production line	*Unit*	*Designed production capacity*	*Production volume*	*Utilisation rate (%)*	*Designed production capacity*	*Production volume*	*Utilisation rate (%)*	*Designed production capacity*	*Production volume*	*Utilisation rate (%)*	*Designed production capacity*	*Production volume*	*Utilisation rate (%)*
Uremic clearance granule ..	Tonne	270.0[(1)(2)]	489.5	181.3[(2)(3)]	270.0[(1)(2)]	425.8	157.7[(2)(3)]	360.0[(1)(2)(4)]	582.6	161.8[(2)(3)]	258.3[(5)]	340.0	131.6[(6)]
Kidney repair and edema alleviation granule	Tonne	20.8[(1)(2)]	1.1[(7)]	5.3	20.8[(1)(2)]	4.0	19.2	20.8[(1)(2)]	14.1	67.8	10.4[(1)]	5.2	50.0
Gadopentetate dimeglumine injection	Litre	10,205.0[(8)]	6,406.0	62.8	10,205.0[(8)]	8,739.0	85.6	10,205.0[(8)]	10,373.0	101.6[(9)]	5,102.5[(8)]	7,074.0	138.7[(10)]

Notes:

(1) The designed production capacity for a production line is computed on the basis of 335 days per year and 16 hours (with two work shifts of eight hours) per day.

(2) The production line of kidney repair and edema alleviation granule can also be used to produce uremic clearance granule with a designed production capacity of approximately 263 tonnes per year, computed on the basis of 335 days per year and 16 hours (with two work shifts of eight hours) per day.

(3) The actual production activities were conducted using the production line(s) of uremic clearance granule and occasionally the production line of kidney repair and edema alleviation granule, and on three shifts of eight hours per day occasionally to meet the demand for our uremic clearance granule, which resulted in the utilisation rate for such relevant period exceeding 100%.

(4) This represents the weighted average designed production capacity for the year as the designed production capacity increased from 270.0 tonnes to 810.0 tonnes per year as a result of the upgrading of the existing production line in November 2012.

(5) This represents the weighted average designed production capacity for the six months ended 30 June 2013 as (i) the designed production capacity decreased from 810.0 tonnes per year to 540 tonnes per year for the four months ended 30 April 2013 due to the expiry of the GMP certificates for certain parts of our production line in January 2013; and (ii) the designed production capacity increased to 940.0 tonnes per year as a result of the upgrading of our existing production line after the renewal of GMP certificates for certain parts of our production lines in June 2013.

(6) The actual production activities were conducted on three shifts of eight hours per day occasionally to meet the demand for our uremic clearance granule, which resulted in the utilisation rate for such relevant period exceeding 100%.

(7) Small scale production of edema alleviation granule commenced in 2009 and such products were subsequently sold in 2010.

(8) The designed production capacity for a production line is computed on the basis of 264 days per year (or 132 days for the six months ended 30 June 2013) and eight hours (with one work shift) per day.

(9) The actual production days were slightly over 264 days due to overtime on weekends or during public holidays to meet the demand for our gadopentetate dimeglumine injection, which resulted in the utilisation rate for such relevant period exceeding 100%.

(10) The actual production days were slightly over 132 days due to overtime on weekends or during public holidays and was conducted on two shifts of eight hours per day occasionally in order to stock up our inventories prior to the expected suspension of production for upgrading of our production line of gadopentetate dimeglumine injection in Guangzhou for GMP compliance inspection by the relevant government authorities which is expected to last for three to six months during late 2013 to early 2014, which resulted in the utilisation rate for such relevant period exceeding 100%.

Please refer to the section headed "BUSINESS – PRODUCTION – Production facilities" in this prospectus for further details of our production facilities and production capacity.

OUR DISTRIBUTORS

Almost all of our pharmaceutical products are sold to hospitals, medical institutions and pharmacies through our Independent Third Party distributors, either directly or indirectly through other sub-distributors. As of 30 June 2013, we had 175 third party distributors and 580 sub-distributors which entered into sub-distribution agreements with us. All of our third party distributors and such sub-distributors are GSP certified distributors located in different regions in the PRC where our pharmaceutical products are sold. Please refer to the section headed "BUSINESS – MARKETING AND DISTRIBUTION – Our Customers – *Distributors*" in this prospectus for further details.

OUR SUPPLIERS

Our primary raw materials include Chinese herbs which are used for the production of our modern Chinese medicines such as uremic clearance granule and kidney repair and edema alleviation granule, chemicals which are used in the production of our chemical medicines, packaging materials and other auxiliary materials. Our suppliers are required to possess all licences and permits necessary to conduct their operations, which include business licences, tax registration certificates and GMP or GAP certificate. Please refer to the section headed "BUSINESS – RAW MATERIALS" in this prospectus for further details of our suppliers.

RISK FACTORS

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "RISK FACTORS" in this prospectus. You should read that entire section carefully before you decide to invest in the Offer Shares. The following highlights some of the risks which are considered to be material by our Directors:

- We are currently dependent on the sales of our two key products, uremic clearance granule and gadopentetate dimeglumine injection, the sales of which represented, in aggregate, approximately 90.8%, 90.7%, 90.2% and 92.6% of our turnover for the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, respectively.

- There is no assurance that our products will continue to be, or new products developed by us will be, listed in the National List of Essential Medicines or the National Medical Insurance Medicines Catalogue or recognised as a national Chinese medicine protection type by the CFDA.

- We may not always succeed in winning bids or secure the selection of our products by the bid evaluation committee as alternative medicines to supply our products to non-profit-making hospitals and other non-profit-making medical institutions in the PRC.

- Products whose sales accounted for a substantial portion of our turnover are subject to price controls and we do not have full discretion over the pricing of such products.

SELECTED FINANCIAL INFORMATION

The following is a summary of our consolidated financial information as of and for the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, derived from "APPENDIX I – ACCOUNTANTS' REPORT" to this prospectus.

Key Consolidated Income Statements Information

	For the year ended 31 December						For the six months ended 30 June			
	2010		2011		2012		2012		2013	
	RMB ('000)	*% of turnover*	*RMB ('000)*	*% of turnover*	*RMB ('000)*	*% of turnover*	*RMB ('000) (Unaudited)*	*% of turnover*	*RMB ('000)*	*% of turnover*
Turnover	**303,713**	**100.0**	**389,305**	**100.0**	**457,801**	**100.0**	**181,919**	**100.0**	**228,390**	**100.0**
Cost of sales	(63,728)	21.0	(95,507)	24.5	(111,112)	24.3	(46,455)	25.5	(50,023)	21.9
Gross profit	**239,985**	**79.0**	**293,798**	**75.5**	**346,689**	**75.7**	**135,464**	**74.5**	**178,367**	**78.1**
Other revenue	40,043	13.2	17,221	4.4	20,517	4.5	18,704	10.3	1,082	0.5
Distribution costs	(127,642)	42.0	(116,141)	29.8	(135,496)	29.6	(53,673)	29.5	(73,327)	32.1
Administrative expenses	(48,989)	16.1	(49,368)	12.7	(50,721)	11.1	(22,640)	12.4	(25,421)	11.1
Other net (loss)/income	(68)	0.0	(103)	0.0	(1,927)	0.4	690	0.4	(118)	0.1
Profit before taxation	**103,329**	**34.0**	**145,407**	**37.4**	**179,062**	**39.1**	**78,545**	**43.2**	**80,583**	**35.3**
Income tax	(24,071)	7.9	(38,106)	9.8	(42,856)	9.4	(18,445)	10.1	(21,517)	9.4
Profit for the year/period	**79,258**	**26.1**	**107,301**	**27.6**	**136,206**	**29.8**	**60,100**	**33.0**	**59,066**	**25.9**
Attributable to:										
Equity shareholders of our Company	79,325		107,301		136,206		60,100		59,066	
Non-controlling interest	(67)		–		–		–		–	
Profit for the year/period	79,258		107,301		136,206		60,100		59,066	

Our turnover experienced consistent growth during the Track Record Period mainly due to the increased sales of our uremic clearance granule and gadopentetate dimeglumine injection. For the three years ended 31 December 2010, 2011 and 2012, our turnover were RMB303.7 million, RMB389.3 million, RMB457.8 million, respectively, representing a CAGR of 22.8% over the period. For the six months ended 30 June 2012 and 2013, our turnover were RMB181.9 million and RMB228.4 million, respectively, representing an increase of 25.5%.

The following table sets out our turnover by product categories for the periods indicated:

	For the year ended 31 December						For the six months ended 30 June			
	2010		2011		2012		2012		2013	
Turnover	*RMB ('000)*	*% of turnover*	*RMB ('000)*	*% of turnover*	*RMB ('000)*	*% of turnover*	*RMB ('000) (Unaudited)*	*% of turnover*	*RMB ('000)*	*% of turnover*
Kidney medicines										
Uremic clearance granule	232,235	76.5	301,359	77.4	347,690	75.9	130,713	71.9	171,053	74.9
Kidney repair and edema alleviation granule	570	0.2	1,955	0.5	5,004	1.1	1,823	1.0	3,972	1.7
Others	126	0.0	290	0.1	10	0.0	–	–	4	0.0
Sub-total	232,931	76.7	303,604	78.0	352,704	77.0	132,536	72.9	175,029	76.6
Medical contrast medium										
Gadopentetate dimeglumine injection	43,520	14.3	51,662	13.3	65,272	14.3	30,701	16.9	40,347	17.7
Other medicines	27,262	9.0	34,039	8.7	39,825	8.7	18,682	10.2	13,014	5.7
Total	303,713	100.0	389,305	100.0	457,801	100.0	181,919	100.0	228,390	100.0

The following tables set out the sales volume and the average wholesale price per unit of our key products, uremic clearance granule and gadopentetate dimeglumine injection, for the periods indicated:

	For the year ended 31 December			For the six months ended 30 June
	2010	2011	2012	2013
Uremic clearance granule				
Sales volume *(Tonne)*	370	498	582	290
Gadopentetate dimeglumine injection				
Sales volume *(Litre)*	6,759	8,336	10,469	6,496

	Size per unit	For the year ended 31 December			For the six months ended 30 June
		2010	2011	2012	2013
		(RMB)	*(RMB)*	*(RMB)*	*(RMB)*
Uremic clearance granule	75 grams	47.3	46.2	46.0	45.3
	90 grams	53.9	52.9	52.7	52.3
Gadopentetate dimeglumine injection	10ml	71.4	67.1	63.8	72.4
	12ml	84.4	81.1	80.7	81.8
	15ml	99.5	95.0	96.6	95.5
	20ml	122.1	118.3	118.8	118.9

During the Track Record Period, our gross profit increased from RMB240.0 million for the year ended 31 December 2010 to RMB293.8 million for the year ended 31 December 2011 and further to RMB346.7 million for the year ended 31 December 2012, representing a CAGR of 20.2% over the period. For the same periods, our profit were RMB79.3 million, RMB107.3 million and RMB136.2 million, respectively, representing a CAGR of 31.1% over the period. For the six months ended 30 June 2012 and 2013, our gross profit were RMB135.5 million and RMB178.4 million, respectively, representing an increase of 31.7%, and our profit were RMB60.1 million and RMB59.1 million, respectively, representing a slight decrease of 1.7%, which is mainly due to the decrease of other revenue resulting from lesser government grant received during the six months ended 30 June 2013.

During the Track Record Period, the gross profit margins for our major products, uremic clearance granule and gadopentetate dimeglumine injection, were significantly higher than those of our other medicines which is mainly attributable to the higher selling prices of these products. Our uremic clearance granule is a specialist medicine, which enjoys leading position in the market of oral modern Chinese medicines for kidney disease in the PRC, while our gadopentetate dimeglumine injection is a medical contrast medium used in a specialised area, where we are one of only four manufacturers with production approval from CFDA still manufacturing and selling such medical contrast medium in the PRC. Please refer to the section headed "FINANCIAL INFORMATION – PRINCIPAL INCOME STATEMENT ITEMS – Gross profit and gross profit margin" in this prospectus for further details.

During the Track Record Period, we received government grants of RMB38.8 million, RMB11.9 million, RMB18.2 million and RMB0.4 million for the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, respectively. A majority of the government grants were provided by the local government of the PRC on an unconditional basis as subsidies for specific research and development projects and subsidies for supporting the development of local enterprises in Tongliao, Inner Mongolia autonomous region. It is in the local government's sole discretion to decide whether and when to provide government grants to our Group, there is no guarantee that the local government will continue to provide government grants to our Group in the future. Please refer to the sections headed "RISK FACTORS – RISKS RELATING TO THE PRC – We may be affected by the changes in or cessation of income tax incentives and government grants" and "FINANCIAL INFORMATION – PRINCIPAL INCOME STATEMENT ITEMS – Other revenue" in this prospectus for more details.

Key Consolidated Statements of Financial Position Information

	As of 31 December			As of 30 June
	2010	**2011**	**2012**	**2013**
	RMB ('000)	*RMB ('000)*	*RMB ('000)*	*RMB ('000)*
Assets				
Current assets	271,697	315,951	445,058	484,596
Non-current assets	160,516	181,070	200,949	230,870
Total assets	432,213	497,021	646,007	715,466
Liabilities				
Current liabilities	174,401	235,299	260,347	259,572
Non-current liabilities	10,129	15,702	30,482	41,654
Total liabilities	184,530	251,001	290,829	301,226
Total equity	247,683	246,020	355,178	414,240

Our average trade debtors and bills receivable turnover days were 190.6 days, 182.1 days, 185.1 days and 176.8 days for the three years ended 31 December 2010, 2011, 2012 and the six months ended 30 June 2013, respectively. Our relatively long trade debtors and bills receivable turnover days during the Track Record Period was mainly due to higher use of bank acceptance bills with maturities of no more than 180 days by our customers. Please refer to the section headed "FINANCIAL INFORMATION – CERTAIN ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – Trade and other receivables" in this prospectus for more details.

Summary Consolidated Cash Flows Information

	As of 31 December			As of 30 June
	2010	2011	2012	2013
	RMB ('000)	*RMB ('000)*	*RMB ('000)*	*RMB ('000)*
Net cash generated from operating activities	68,938	56,619	128,832	47,175
Net cash (used in)/generated from investing activities	(16,270)	(29,817)	(111,464)	46,684
Net cash (used in)/generated from financing activities	(70,685)	6,048	(484)	25,251

Key Financial Ratios

The following table shows certain financial ratios of our Group as of the dates indicated:

	As of 31 December			As of 30 June
	2010	2011	2012	2013
Current ratio[(1)]	1.6	1.3	1.7	1.9
Gearing ratio[(2)]	–	5.5%	–	8.9%

Notes:

(1) Current ratio represents total current assets divided by total current liabilities as of the end of the year/period.

(2) Gearing ratio represents loans and borrowings divided by total equity as of the end of the year/period.

LISTING EXPENSES

The total estimated listing expenses in connection with the Global Offering is approximately RMB81.0 million. For the Track Record Period, our Group incurred listing expenses amounting to approximately RMB10.2 million, of which RMB7.5 million was charged to our income statement. We estimate to further incur approximately RMB70.8 million of listing expenses before the completion of the Global Offering, out of which approximately RMB20.0 million will be charged to our consolidated income statement. A total of approximately RMB53.5 million will be capitalised in reserves upon successful Listing under the relevant accounting standards.

LATEST DEVELOPMENT

As far as we are aware, the PRC pharmaceutical industry remained relatively stable after the Track Record Period. Our Group did not experience any significant drop in revenue or increase in cost of sales or other costs subsequent to the Track Record Period up to the Latest Practicable Date as there were no significant changes to the general business model of our Group and economic environment. In September 2013, we received unconditional government grant of

RMB6.4 million from the Finance Bureau of Tongliao City as subsidies for our research and development activities and our upgrading of production facilities. Based on our unaudited management accounts, as of 31 October 2013, we had a total current assets of RMB515.2 million and a total current liabilities of RMB309.6 million. Please refer to the section headed "FINANCIAL INFORMATION – LIQUIDITY AND CAPITAL RESOURCES" in this prospectus for further details of our current assets and current liabilities. There was no material adverse change in our gross profit margin and net profit margin for the four months ended 31 October 2013 comparing to those for the six months ended 30 June 2013.

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2013, and there is no event since 30 June 2013 which would materially affect the information shown in "APPENDIX I – ACCOUNTANTS' REPORT" to this prospectus.

OFFERING STATISTICS

Market capitalisation at Listing	:	HK$3,630.0 million to HK$4,360.0 million
Offering size	:	Initially 25% of the enlarged share capital of the Company
Offering structure	:	10% Hong Kong Public Offering (subject to adjustment); and 90% International Offering (subject to adjustment and Over-allotment Option)
Over-allotment Option	:	First Kind will grant to the International Underwriter the Over-allotment Option, exercisable by the Sole Global Coordinator on behalf of the International Underwriter at any time from the Listing Date up to (and including) the day which is the 30th day after the last date for the lodging of Application Forms under the Hong Kong Public Offering, to require First Kind to sell up to an aggregate of 37,500,000 Shares, being 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover over-allocations in the International Offering.
Offer Price per Share	:	HK$3.63 to HK$4.36 per Share
Board lot	:	1,000 Shares
Use of proceeds (assuming an Offer Price of HK$4.00 per Share, being the mid-point of the indicative Offer Price range)	:	We currently intend to apply the net proceeds of the Global Offering of HK$897.5 million (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering) in the following manner: • approximately HK$359.0 million (equivalent to approximately 40% of our total estimated net proceeds) will be used for our infrastructure investment in respect of (i) the construction of new production plant, warehouses and ancillary facilities in Guangzhou, Guangdong province, and the purchase and installation of production lines therein; (ii) the purchase and installation of new production facilities in the production plant, in Tongliao, Inner Mongolia autonomous region; (iii) the purchase of quality control devices for the inspection centre in Tongliao, Inner Mongolia autonomous region; (iv) the upgrading of our existing production lines for other medicines; and (v) the upgrading of our information system;

- approximately HK$179.5 million (equivalent to approximately 20% of our total estimated net proceeds) will be used for research and development activities in order to develop new products;

- approximately HK$134.6 million (equivalent to approximately 15% of our total estimated net proceeds) will be used for expansion of our existing marketing and distribution networks to increase the level of our market penetration to cover more end-customers, such as county medical institutions and community and rural healthcare centres, and accordingly increase our market share;

- approximately HK$134.6 million (equivalent to approximately 15% of our total estimated net proceeds) will be used for merger and acquisition of enterprises with traditional Chinese medicines planting capability, and those focus on oral modern Chinese medicines for kidney disease or medical contrast medium; and

- approximately HK$89.8 million (equivalent to approximately 10% of our total estimated net proceeds) will be used for working capital and other general corporate purposes.

We estimate that the aggregate net proceeds to be received by First Kind (after deducting underwriting fees payable by First Kind and assuming an Offer Price of HK$4.00 per Offer Share, being the mid-point of the indicative Offer Price range of HK$3.63 to HK$4.36 per Offer Share) will be approximately HK$145.5 million, assuming that the Over-allotment Option is exercised in full. We will not receive any of such proceeds.

DIVIDEND POLICY AND DISTRIBUTION PRIOR TO LISTING

During the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013, our Group declared to its then shareholders dividends of RMB12.6 million, RMB109.0 million, RMB27.0 million and nil, respectively, which represented dividends attributable to previous financial years. In October 2013, our Group declared to its then shareholders dividends of RMB51.6 million. Such dividends will be paid by internal resources before Listing. Save as disclosed above, no other dividends were declared or distributed by us or any of our subsidiaries during the Track Record Period. We currently do not have a fixed dividend policy. Our dividend payments in the past are no indication to our dividend policy in the future. Please refer to the section headed "FINANCIAL INFORMATION – DIVIDEND POLICY" in this prospectus for a detailed description for our dividend policy.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSET VALUE PER SHARE

Unaudited pro forma adjusted net tangible asset value per Share[(1)]:

Based on an Offer Price of HK$3.63 per Offer Share	**HK$1.33**
Based on an Offer Price of HK$4.36 per Offer Share	**HK$1.51**

Note:

(1) Please refer to "APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION" to this prospectus for further details regarding the assumptions used and the calculation method.