The following is the text of a report received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

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31 December 2013

The Directors
Nanjing Sinolife United Company Limited
BOCOM International (Asia) Limited

Dear Sirs,

We set out below our report on the financial information of 南京中生聯合股份有限公司 (Nanjing Sinolife United Company Limited*) (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") which comprises the consolidated statements of financial position of the Group and statements of financial position of the Company, as at 31 December 2010, 2011 and 2012 and 30 June 2013, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory notes (the "Financial Information"), together with the comparative financial information of the Group including the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2012 (the "Comparative Financial Information"), prepared on the basis set out in Note 3 of Section II below, for inclusion in the prospectus of the Company dated 31 December 2013 (the "Prospectus") in connection with the listing of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was established as a stock company under the name of 南京中科生物研究所 (Nanjing Sinolife United Bio-Tech Research Institute*) in the People's Republic of China (the "PRC") on 24 May 1999 under the Company Law of the PRC. On 13 May 2005, the Company changed to a limited liability company and was renamed as 南京中科生物研究所有限公司. On 26 October 2012, the Company was transformed into a joint stock limited liability company and changed its name to 南京中生聯合生物科技股份有限公司. On 25 November 2013, the Company was renamed as 南京中生聯合股份有限公司.

* *for identification purposes only*

As at date of this report, the particulars of the Company's subsidiaries, all of which are companies with limited liability, are as follows:

Name	Place and date of incorporation/ establishment and type of legal entity	Place of operations	Issued and fully paid share capital/ registered capital	Attributable equity interest directly held	Principal activities
南京中生生物科技有限公司 (Nanjing Zhongsheng Bio-Tech Co. Limited*)	The PRC/ 17 June 2003/ Limited liability company	PRC	Registered and fully paid up capital RMB20,000,000	100%	Manufacture, processing and sale of health food products
蘇州中生健康生物製品有限公司 (Suzhou Zhongsheng Health & Biological Products Co. Limited*)	The PRC/ 26 March 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
杭州中研生物製品有限公司 (Hangzhou Zhongyan Biological Products Co. Limited*)	The PRC/ 2 April 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
北京中生美好健康科技有限公司 (Beijing Zhongsheng Wonderful Health Technology Co. Limited*)	The PRC/ 9 April 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
無錫中研健康品有限公司 (Wuxi Zhongyan Health Products Co. Limited*)	The PRC/ 10 April 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
常州中生美好生物製品有限公司 (Changzhou Zhongsheng Wonderful Bio-Health Products Co. Limited*)	The PRC/ 22 April 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
濟南中生華商生物製品有限公司 (Jinan Zhongsheng Chinese Commerce Biological Products Co. Limited*)	The PRC/ 30 April 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
廣州中院生物科技有限公司 (Guangzhou Zhongyuan Bio-Tech Co. Limited*)	The PRC/ 27 June 2008/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
Australia Cobayer Health Food Co Pty Ltd.	Australia/ 2 March 2009/ Limited liability company	Australia	Fully paid up share capital AUD2,000	100%	Trading of food products

Name	Place and date of incorporation/ establishment and type of legal entity	Place of operations	Issued and fully paid share capital/ registered capital	Attributable equity interest directly held	Principal activities
深圳市中生華商生物科技有限公司 (Shenzhen Zhongsheng Chinese Commerce Bio-Tech Co. Limited*)	The PRC/ 23 April 2009/ Limited liability company	PRC	Registered and fully paid up capital RMB600,000	100%	Retailing of health food products
成都中生華美生物科技有限公司 (Chengdu Zhongsheng Hua Mei Bio-Tech Co. Limited*)	The PRC/ 6 April 2011/ Limited liability company	PRC	Registered and fully paid up capital RMB500,000	100%	Retailing of health food products
鎮江中生健康科技有限公司 (Zhenjiang Zhongsheng Health Bio-Tech Co. Limited*)	The PRC/ 28 April 2011/ Limited liability company	PRC	Registered and fully paid up capital RMB100,000	100%	Retailing of health food products
武漢中生華商生物科技有限公司 (Wuhan Zhongsheng Chinese Commerce Biological Technology Co. Limited*)	The PRC/ 23 May 2011/ Limited liability company	PRC	Registered and fully paid up capital RMB100,000	100%	Retailing of health food products
青島中生康健生物製品有限公司 (Qingdao Zhongsheng Biological Products Co. Limited*)	The PRC/ 24 June 2011/ Limited liability company	PRC	Registered and fully paid up capital RMB100,000	100%	Retailing of health food products
南京德澳國際貿易有限公司 (Nanjing Deao International Trade Co. Limited*)	The PRC/ 15 July 2011/ Limited liability company	PRC	Registered and fully paid up capital RMB1,000,000	100%	Importing of food products
上海康赫生物科技有限公司 (Shanghai Kanghe Bio-Tech Co. Limited*)	The PRC/ 18 November 2013/ Limited liability company	PRC	Registered and fully paid up capital RMB100,000	100%	Retailing of health food products

All of the above subsidiaries and the Company adopt 31 December as the financial year end date.

* *for identification purposes only*

The statutory or audited financial statements of the Company's subsidiaries established in the PRC and Australia were prepared in accordance with the relevant accounting policies and financial regulations in the local jurisdiction and were audited by the respective certified public accountants. Details of these statutory or audited financial statements are as follows:

Name of subsidiary	Financial periods	Auditor
Nanjing Zhongsheng Bio-Tech Co. Limited*	31 December 2010, 2011, and 2012	南京中正同仁會計師事務所有限公司 (Nanjing Zhongzheng Tongren Certified Public Accountants*)
Beijing Zhongsheng Wonderful Health Technology Co. Limited*	31 December 2011 and 2012	北京東審鼎立國際會計師事務所有限責任公司 (Beijing Dongshen Dingli International Certified Public Accountants*)
Suzhou Zhongsheng Health & Biological Products Co. Limited*	31 December 2010, 2011, and 2012	蘇州市嘉泰聯合會計師事務所 (Justice United Certified Public Accountants*)
Hangzhou Zhongyan Biological Products Co. Limited*	31 December 2011 and 2012	杭州正瑞會計師事務所 (Hangzhou Zhengrui Certified Public Accountants*)
Changzhou Zhongsheng Wonderful Bio-Health Products Co. Limited*	31 December 2011 and 2012	常州中正會計師事務所有限公司 (Changzhou Zhongzheng Certified Public Accountants Co. Ltd*)
Wuxi Zhongyan Health Products Co. Limited*	31 December 2011 and 2012	無錫大方會計師事務所(普通合夥) (Wuxi Dafang Certified Public Accountants*)
Guangzhou Zhongyuan Bio-Tech Co. Limited*	31 December 2010	廣州粵科會計師事務所(普通合夥) (Guangzhou Yueke Certified Public Accountants*)
	31 December 2011	廣州正和會計師事務所(有限合夥) (Guangzhou Zhenghe Certified Public Accountants*)
	31 December 2012	廣州名博會計師事務所有限公司 (Guangzhou Mingbo Certified Public Accountants Co., Ltd.*)
Jinan Zhongsheng Chinese Commerce Biological Products Co. Limited*	31 December 2011 and 2012	山東今日會計師事務所 (Shandong Jinri Certified Public Accountants*)
Shenzhen Zhongsheng Chinese Commerce Bio-Tech Co. Limited*	31 December 2011 and 2012	中聯會計師事務所有限公司深圳分所 (Zhonglian Certified Public Accountants – Shenzhen Branch*)
Chengdu Zhongsheng Hua Mei Bio-Tech Co. Limited*	31 December 2011 and 2012	成都銘春會計師事務所有限公司 (Chengdu Mingchun Certified Public Accountants*)
Wuhan Zhongsheng Chinese Commerce Biological Technology Co. Limited*	31 December 2011 and 2012	湖北長江會計師事務所有限公司 (Hubei Changjiang Certified Public Accountants Co., Ltd.*)
Qingdao Zhongsheng Biological Products Co. Limited*	31 December 2011 and 2012	山東天健正信會計師事務所有限公司 (Shandong Tianjianzhengxin Certified Public Accountants*)
Zhenjiang Zhongsheng Health Bio-Tech Co. Limited*	31 December 2012	鎮江同泰會計師事務所有限公司 (Zhenjiang Tongtai Certified Public Accountants Office Co. Ltd.*)
Nanjing Deao International Trade Co. Limited*	31 December 2011 and 2012	江蘇中正同仁會計師事務所 (Jiangsu Zhongzheng Tongren Certified Public Accountants*)
Australia Cobayer Health Food Co Pty Ltd. *(Note)*	31 December 2010, 2011, and 2012	Raymond Yi Kuen Lee Registered Company Auditor

Note: Australia Cobayer Health Food Co Pty Ltd. was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Group for the Relevant Periods (the "Underlying Financial Statements"), in accordance with the basis of preparation in Note 3 of Section II below and the accounting policies set out in Note 4 of Section II below which conform with Hong Kong Financial Reporting Standards ("HKFRSs"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information has been prepared by the directors of the Company based on the Underlying Financial Statements with no adjustment made thereon and in accordance with the basis of preparation set out in Note 3 of Section II below.

The directors of the Company are responsible for the contents of the Prospectus including the preparation and true and fair presentation of the Financial Information in accordance with the basis of preparation set out in Note 3 of Section II below, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to form an opinion on the Financial Information based on our procedures and to report our opinion to you.

For the purpose of this report, we have carried out audit procedures in respect of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the Financial Information of the Group and carried out appropriate procedures as we considered necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

For the purpose of this report, we have also reviewed the Comparative Financial Information, which has been prepared in accordance with the basis of preparation set out in Note 3 of Section II below and the accounting policies set out in Note 4 of Section II below, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The directors are responsible for the preparation and presentation of the Comparative Financial Information in accordance with basis of preparation set out in Note 3 of Section II below and the accounting policies set out in Note 4 of Section II below, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Our responsibility is to express a conclusion on the Comparative Financial Information based on our review. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures to the Comparative Financial Information. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

Opinion in respect of the Financial Information

In our opinion, the Financial Information, for the purpose of this report, prepared on the basis set out in Note 3 of Section II below and in accordance with the accounting policies set out in Note 4 of Section II below, gives a true and fair view of the state of affairs of the Group and the Company as at 31 December 2010, 2011 and 2012 and 30 June 2013 and of the results and cash flows of the Group for the Relevant Periods then ended.

Review conclusion in respect of the Comparative Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

(A) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
	Notes	**2010**	**2011**	**2012**	**2012**	**2013**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(unaudited)	
Turnover	*7*	66,850	103,244	150,372	64,819	85,965
Cost of sales		(13,588)	(20,080)	(20,276)	(9,881)	(11,264)
Gross profit		53,262	83,164	130,096	54,938	74,701
Other revenue and other gains and losses	*8*	679	337	1,484	436	581
Selling and distribution expenses		(18,732)	(20,339)	(34,047)	(11,626)	(22,216)
Administrative expenses		(14,214)	(15,955)	(20,621)	(9,315)	(12,788)
Profit before income tax	*9*	20,995	47,207	76,912	34,433	40,278
Income tax expense	*10*	(5,207)	(12,393)	(19,675)	(8,265)	(10,578)
Profit for the year/period attributable to owners of the Company		15,788	34,814	57,237	26,168	29,700
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, after tax						
Exchange differences on translation of foreign operations		75	(108)	(11)	–	(412)
Total comprehensive income for the year/period attributable to owners of the Company		15,863	34,706	57,226	26,168	29,288
Earnings per share attributable to owners of the Company						
– Basic and diluted	*13*	0.29	0.63	1.04	0.48	0.53

(B) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2010	2011	2012	As at 30 June 2013
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*15*	19,957	18,072	18,476	23,146
Prepaid land lease payments	*16*	4,467	4,366	4,266	4,215
Intangible assets	*17*	228	163	98	65
Deposit for acquisition of property, plant and equipment		–	–	3,795	–
Deferred tax assets	*19*	385	1,737	1,569	1,068
		25,037	24,338	28,204	28,494
Current assets					
Inventories	*20*	5,438	10,944	13,684	9,962
Prepaid land lease payments		101	101	101	101
Trade and other receivables	*21*	3,446	5,989	3,731	4,188
Amounts due from directors	*28(iv)*	256	271	691	–
Amounts due from related parties	*28(i)*	423	478	–	–
Short term investments	*22*	–	9,000	–	22,000
Cash and bank balances	*23*	36,306	62,775	93,220	128,383
		45,970	89,558	111,427	164,634
Current liabilities					
Trade and other payables	*24*	4,410	8,614	10,037	10,021
Amount due to a director	*28(iii)*	2,741	2,957	3,983	3,303
Amounts due to related parties	*28(i)*	–	266	–	–
Income tax payables		3,369	6,866	6,098	7,003
		10,520	18,703	20,118	20,327
Net current assets		35,450	70,855	91,309	144,307
Net assets		60,487	95,193	119,513	172,801
Capital and reserves attributable to owners of the Company					
Share capital	*25*	26,000	26,000	55,000	61,111
Reserves	*26*	34,487	69,193	64,513	111,690
Total equity		60,487	95,193	119,513	172,801

(C) STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2010 RMB'000	As at 31 December 2011 RMB'000	As at 31 December 2012 RMB'000	As at 30 June 2013 RMB'000
Non-current assets					
Property, plant and equipment	*15*	12,988	12,060	12,025	12,165
Deposit for acquisition of investment property		–	–	3,795	–
Investment property	*18*	–	–	–	3,704
Interests in subsidiaries	*27*	24,800	25,600	31,540	31,540
		37,788	37,660	47,360	47,409
Current assets					
Inventories	*20*	4,731	10,956	15,763	9,194
Trade and other receivables	*21*	752	236	312	833
Amounts due from directors	*28(iv)*	668	793	691	–
Amounts due from related parties	*28(i)*	52	156	–	–
Amounts due from subsidiaries	*28(ii)*	129	974	99	885
Short term investments	*22*	–	–	–	15,000
Cash and bank balances	*23*	16,139	27,571	37,847	80,857
		22,471	40,686	54,712	106,769
Current liabilities					
Trade and other payables	*24*	2,071	2,664	3,478	4,817
Amount due to a director	*28(iii)*	–	–	161	–
Amounts due to related parties	*28(i)*	–	266	–	–
Amounts due to subsidiaries	*28(ii)*	3,107	1,405	7,604	1,730
Income tax payables		1,746	2,636	2,654	2,733
		6,924	6,971	13,897	9,280
Net current assets		15,547	33,715	40,815	97,489
Net assets		53,335	71,375	88,175	144,898
Capital and reserves					
Share capital	*25*	26,000	26,000	55,000	61,111
Reserves	*26*	27,335	45,375	33,175	83,787
Total equity		53,335	71,375	88,175	144,898

(D) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve*	Translation reserve*	Surplus reserve*	Merger reserve*	Retained profits*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010	26,000	–	79	2,144	2,009	22,172	52,404
Dividend declared and paid	–	–	–	–	–	(6,000)	(6,000)
Deemed distribution to controlling shareholders *(Note 26(v)(a))*	–	–	–	–	(1,780)	–	(1,780)
Transaction with owners	–	–	–	–	(1,780)	(6,000)	(7,780)
Profit for the year	–	–	–	–	–	15,788	15,788
Exchange difference on translation of foreign operations	–	–	75	–	–	–	75
Total comprehensive income	–	–	75	–	–	15,788	15,863
Transfer to surplus reserve	–	–	–	1,146	–	(1,146)	–
At 31 December 2010 and 1 January 2011	26,000	–	154	3,290	229	30,814	60,487
Profit for the year	–	–	–	–	–	34,814	34,814
Exchange difference on translation of foreign operations	–	–	(108)	–	–	–	(108)
Total comprehensive income	–	–	(108)	–	–	34,814	34,706
Transfer to surplus reserve	–	–	–	1,797	–	(1,797)	–
At 31 December 2011 and 1 January 2012	26,000	–	46	5,087	229	63,831	95,193
Issue of share capital	1,000	5,194	–	–	–	–	6,194
Deemed distribution to a controlling shareholder *(Note 26(v)(b))*	–	–	–	–	(4,100)	–	(4,100)
Capitalisation of shares	28,000	(2,791)	–	(5,087)	–	(20,122)	–
Dividend declared and paid	–	–	–	–	–	(35,000)	(35,000)
Transaction with owners	28,000	(2,791)	–	(5,087)	(4,100)	(55,122)	(39,100)
Profit for the year	–	–	–	–	–	57,237	57,237
Exchange difference on translation of foreign operations	–	–	(11)	–	–	–	(11)
Total comprehensive income	–	–	(11)	–	–	57,237	57,226
Transfer to surplus reserve	–	–	–	2,927	–	(2,927)	–
At 31 December 2012	55,000	2,403	35	2,927	(3,871)	63,019	119,513

	Share capital	Capital reserve*	Translation reserve*	Surplus reserve*	Merger reserve*	Retained profits*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2013	55,000	2,403	35	2,927	(3,871)	63,019	119,513
Issue of share capital	6,111	43,889	–	–	–	–	50,000
Dividend declared and paid	–	–	–	–	–	(26,000)	(26,000)
Transaction with owners	–	–	–	–	–	(26,000)	(26,000)
Profit for the period	–	–	–	–	–	29,700	29,700
Exchange difference on translation of foreign operations	–	–	(412)	–	–	–	(412)
Total comprehensive income	–	–	(412)	–	–	29,700	29,288
At 30 June 2013	61,111	46,292	(377)	2,927	(3,871)	66,719	172,801
Unaudited:							
At 1 January 2012	26,000	–	46	5,087	229	63,831	95,193
Dividend declared	–	–	–	–	–	(15,000)	(15,000)
Transaction with owners	–	–	–	–	–	(15,000)	(15,000)
Profit for the period	–	–	–	–	–	26,168	26,168
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	26,168	26,168
At 30 June 2012	26,000	–	46	5,087	229	74,999	106,361

* These reserve accounts comprise the consolidated reserves in the consolidated statements of financial position.

(E) CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2010	2011	2012	2012	2013
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Operating activities						
Profit before income tax		20,995	47,207	76,912	34,433	40,278
Adjustment for:						
Depreciation		2,203	2,091	1,982	1,001	1,389
Amortisation of prepaid land lease payments		101	101	100	50	51
Amortisation of intangible assets		65	65	65	33	33
Waiver of long outstanding trade and other payables		(74)	(62)	(49)	–	–
Loss on disposal of property, plant and equipment		158	6	–	–	3
Excess written off to profit or loss arising from the acquisition of business	29	–	–	20	–	–
Other receivables written off		–	111	–	–	–
Short term investment income		–	–	(318)	(144)	(242)
Interest income		(405)	(381)	(985)	(219)	(180)
Operating profit before working capital changes		23,043	49,138	77,727	35,154	41,332
Inventories		39	(5,506)	(2,740)	(4,385)	3,723
Trade and other receivables		(540)	(2,751)	2,934	689	(585)
Trade and other payables		(845)	4,398	1,446	8,263	99
Amounts due from related parties		(229)	(55)	(647)	1,124	–
Amounts due to related parties		(228)	266	(266)	372	–
Cash generated from operations		21,240	45,490	78,454	41,217	44,569
Income tax paid		(3,893)	(10,309)	(20,531)	(10,159)	(9,173)
Net cash generated from operating activities		17,347	35,181	57,923	31,058	35,396
Investing activities						
Payments to acquire property, plant and equipment		(550)	(246)	(2,390)	(1,271)	(2,364)
Deposits to acquire property, plant and equipment		–	–	(3,795)	–	–
Proceeds from disposal of property, plant and equipment		21	30	–	–	5
Purchase of a subsidiary, net of cash and bank balances acquired	29	–	–	552	–	–
(Purchase of)/redemption of short term investments		–	(9,000)	9,000	9,000	(22,000)
Short term investment income received		–	–	318	144	242
Interest received		405	381	985	219	180
Net cash (used in)/generated from investing activities		(124)	(8,835)	4,670	8,092	(23,937)
Financing activities						
Proceeds from issue of shares		–	–	6,194	–	50,000
Net (repayment)/advances from directors		(5,056)	340	599	148	486
Deemed distribution to controlling shareholders		(1,780)	–	(4,100)	–	–
Dividend paid to owners of the Company		(6,000)	–	(35,000)	(2,400)	(26,000)
Net cash (used in)/generated from financing activities		(12,836)	340	(32,307)	(2,252)	24,486
Net increase in cash and bank balances		4,387	26,686	30,286	36,898	35,945
Cash and bank balances at beginning of year/period		31,638	36,306	62,775	62,775	93,220
Effect of exchange rate changes on cash and bank balances		281	(217)	159	43	(782)
Cash and bank balances at end of year/period	23	36,306	62,775	93,220	99,716	128,383

II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Nanjing Sinolife United Company Limited (the "Company") was established as a limited company under the name of 南京中科生物研究所 (Nanjing Sinolife United Bio-Tech Research Institute*) in the People's Republic of China (the "PRC") on 24 May 1999 under the Company Law of the PRC. On 13 May 2005, the Company changed to a limited liability company and was renamed as 南京中科生物研究所有限公司. On 26 October 2012, the Company was transformed into a joint stock limited liability company and changed its name to 南京中生聯合生物科技股份有限公司. On 25 November 2013, the Company was renamed as 南京中生聯合股份有限公司. The address of its registered office is 30/F, Deji Building, 188 Chang Jiang Road, Xuanwu District, Nanjing, Jiangsu Province, PRC.

The Company and its subsidiaries (referred to as the "Group") are engaged in the manufacture and sale of nutritional supplements and health food products in the mainland China.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted all of new and revised standards, amendments and interpretation (hereinafter collectively referred to as "HKFRSs") issued by the HKICPA, which are effective for the accounting periods beginning on or after 1 January 2013 in the preparation of Financial Information throughout the Relevant Periods.

The HKICPA has also issued the following new and revised HKFRSs that are not yet effective, potentially relevant to the Group but have not been early adopted in the preparation of the Financial Information.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities[1]
Amendments to HKFRS 7 and HKFRS 9	Financial Instruments – Mandatory Effective Date and Transition Disclosures[2]
HKFRS 9	Financial Instruments[2]
Amendments to HKAS 36	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets[1]
Amendments to HKAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[1]

Notes:

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of the potential impact of the new/revised HKFRSs and the directors so far concluded that the application of the new/revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. BASIS OF PREPARATION

(a) Statement of compliance

The Financial Information has been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The Financial Information has been prepared under the historical cost.

(c) Functional and presentation currency

The Financial Information is presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

(i) Merger accounting for common control combination

The Financial Information incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of comprehensive income include the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

(ii) Acquisition method of accounting for non-common control combination

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

The results of subsidiaries acquired or disposed of are included in the consolidated statements of comprehensive income from the dates of acquisition or up to the dates 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.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is 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, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statements of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Buildings	20 years
Leasehold improvements	Over shorter of 5 years and the remaining lease terms
Plant and machinery	5 to 10 years
Office equipment	3 to 5 years
Motor vehicles	4 to 5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(d) Investment property

Investment property is a property held either to earn rentals or for capital appreciation or for both, or held for undetermined future use, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation is charged so as to write off the cost of investment property net of expected residual value over the estimated useful live using straight-line method. The useful live, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

(e) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation on registered licenses is provided on a straight-line basis over their useful lives of 10 years. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

(ii) Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years.

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired (Note 4(m)).

(f) Leasing

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

As lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

As lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

(g) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to completion and estimated costs necessary to make the sale.

(h) Financial instruments

(i) Financial assets

The Group has one category of financial assets being loans and receivables.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset.

Loans and receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtors' financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction 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.

(iii) Financial liabilities

The Group has one category of financial liabilities being financial liabilities at amortised cost. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost including trade and other payables, amounts due to related parties and a director are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(i) Revenue recognition

Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(j) Income taxes

Income taxes for the Relevant Periods comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

(k) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. 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 translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On preparing the Financial Information, the results of foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising on the translation are recognised directly in other comprehensive income and accumulated as translation reserve within equity. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to the translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(l) Employee benefits

(i) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) Pension obligations

For employees in the People's Republic of China (the "PRC"), the Group contributes to a state-sponsored retirement plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are/are not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(m) Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- investment property; and
- intangible assets with finite useful lives.

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) 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.

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, to the extent 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 in prior periods. A reversal of an impairment loss is recognised as income immediately.

(n) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors 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 associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results 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.

The key sources of estimation uncertainty are discussed below.

(i) Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment. Property, plant and equipment 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 or fair value less costs to sell. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to profit or loss.

(ii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. Management will increase the depreciation and amortisation charges where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore affect the depreciation charges in future periods.

(iii) Provision for obsolete inventories

The management estimates the net realisable value of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of each period and makes allowance on obsolete and slow moving items to write off or write down inventories to their net realisable values. Where the expectation on the net realisable value is lower than the cost, an impairment may arise.

(iv) Impairment of trade receivables

Recoverability of the trade receivables are reviewed by management based on the receivables' aging characteristics, and the current creditworthiness and past collection history of each customer. Judgment is required in assessing the ultimate realisation of these receivables, and the financial conditions of the debtors may undergo adverse changes since the last management evaluation. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required in future accounting periods.

(v) Income taxes and deferred tax

The Group is subject to income taxes in Mainland China and Australian jurisdictions. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of businesses. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when our management determines it is likely that future taxable profits will be available against the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates are changed.

6. SEGMENT REPORTING

a. Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group principally operates in one business segment, which is the manufacture and sale of nutritional supplements and sale of packaged health food products in the mainland China.

b. Geographical information

Most of the group companies are domiciled in the PRC and majority of the non-current assets are located in the PRC. All the Group's revenue from external customers are derived in the PRC.

c. **Revenue from major products**

The following is an analysis of the Group's revenue from its major products:

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Nutritional supplements developed and manufactured in China	48,410	61,332	95,744	38,547	36,635
Australian or New Zealand made food and nutritional supplements	16,922	40,837	53,129	25,631	48,510
Others	1,518	1,075	1,499	641	820
	66,850	103,244	150,372	64,819	85,965

d. **Information about major customers**

No revenue from transactions with single external customer is amounted to 10% or more of the Group's revenue in each of the reporting periods over the Relevant Periods.

7. TURNOVER

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, net of value-added tax, during the Relevant Periods.

8. OTHER REVENUE AND OTHER GAINS AND LOSSES

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Bank interest income	405	381	985	219	180
Short term investment income	–	–	318	144	242
Net exchange (loss)/gain	(152)	(234)	111	68	126
Waiver of long outstanding trade and other payables	74	62	49	–	–
Government grant	510	–	–	–	–
Loss on disposal of property, plant and equipment	(158)	(6)	–	–	(3)
Compensation income	–	130	–	–	34
Others	–	4	21	5	2
	679	337	1,484	436	581

9. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Year ended 31 December			Six months ended 30 June	
	2010	2011	2012	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Cost of inventories sold	12,656	18,450	17,840	8,903	9,643
Staff costs *(Note 11)*	12,965	15,940	28,392	10,719	17,820
Amortisation of prepaid land lease payments	101	101	100	50	51
Amortisation of intangible assets	65	65	65	33	33
Auditor's remuneration	33	282	329	5	47
Depreciation of property, plant and equipment	2,203	2,091	1,982	1,001	1,389
Other receivables written off	–	111	–	–	–
Operating lease payments on properties	2,754	2,530	4,025	1,915	2,884
Research and development expenses	354	224	219	89	383
Listing expenses	–	–	–	–	2,038

10. INCOME TAX EXPENSE

a. The amounts of taxation in the consolidated statements of comprehensive income represent:

	Year ended 31 December			Six months ended 30 June	
	2010	2011	2012	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Current tax – PRC Enterprise Income Tax					
– Provision for the year/period	5,088	12,758	19,319	7,878	10,077
– Under provision in respect of prior year	16	–	–	–	–
Current tax – Australia Income Tax					
– Provision for the year/period	40	987	188	333	–
	5,144	13,745	19,507	8,211	10,077
Deferred tax – origination and reversal of temporary differences	63	(1,352)	168	54	501
Income tax expense	5,207	12,393	19,675	8,265	10,578

Provision for PRC Enterprise Income Tax is based on a statutory rate of 25% of the assessable profits of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC for the Relevant Periods.

Provision for Australian Income Tax is calculated at 30% of the assessable profits of the subsidiary in Australia for the Relevant Periods.

b. The income tax expense for the Relevant Periods can be reconciled to the profit per the consolidated statements of comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Profit before income tax	20,995	47,207	76,912	34,433	40,278
Tax on profit before income tax, calculated at PRC Enterprise Income Tax rate	5,249	11,802	19,228	8,608	10,069
Effect of different tax rates of subsidiaries operating in other jurisdictions	6	19	96	79	(10)
Tax effect of expenses not deductible for tax purposes	556	299	802	106	153
Tax effect of deductible temporary differences not recognised	(581)	21	(4)	–	(149)
Under provision in prior year	16	–	–	–	–
Others	(39)	252	(447)	(528)	515
Income tax expense	5,207	12,393	19,675	8,265	10,578

11. STAFF COSTS

	Year ended 31 December			Six months ended 30 June	
	2010	2011	2012	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Staff costs (including directors) comprise:					
Wages and salaries	9,527	11,494	21,152	7,624	13,680
Other benefits	1,593	1,751	3,374	1,498	1,476
Social insurance and housing fund	1,845	2,695	3,866	1,597	2,664
	12,965	15,940	28,392	10,719	17,820

12. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND HIGHEST PAID INDIVIDUALS

a. Directors' and supervisors' emoluments

The emoluments of every director and supervisor for the Relevant Periods are set out below:

Year ended 31 December 2010

	Fees	Basic salaries and bonus	Social insurance and housing fund	Housing and other allowances and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of Executive Directors					
Mr. Gui Ping Hu *(note i)*	–	563	63	–	626
Ms. Zhu Feifei *(note i)*	–	40	10	–	50
Ms. Xu Li *(note i)*	–	192	16	–	208
Ms. Zhang Yuan *(note i)*	–	212	16	–	228
Total	–	1,007	105	–	1,112
Name of Supervisors					
Ms. Yu Min *(note i)*	–	50	10	–	60
Ms. Wu Xuemei *(note i)*	–	38	8	–	46
Ms. Lu Jiachun *(note i)*	–	40	10	–	50
Ms. Chen Xiu *(note ii)*	–	36	8	–	44
Total	–	164	36	–	200

Year ended 31 December 2011

	Fees	Basic salaries and bonus	Social insurance and housing fund	Housing and other allowances and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of Executive Directors					
Mr. Gui Ping Hu *(note i)*	–	590	76	–	666
Ms. Zhu Feifei *(note i)*	–	49	12	–	61
Ms. Xu Li *(note i)*	–	187	20	–	207
Ms. Zhang Yuan *(note i)*	–	225	20	–	245
Total	–	1,051	128	–	1,179
Name of Supervisors					
Ms. Yu Min *(note i)*	–	58	17	–	75
Ms. Wu Xuemei *(note i)*	–	49	12	–	61
Ms. Lu Jiachun *(note i)*	–	47	14	–	61
Ms. Chen Xiu *(note ii)*	–	42	11	–	53
Total	–	196	54	–	250

Year ended 31 December 2012

	Fees	Basic salaries and bonus	Social insurance and housing fund	Housing and other allowances and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of Executive Directors					
Mr. Gui Ping Hu *(note i)*	–	537	80	–	617
Ms. Zhu Feifei *(note i)*	–	135	12	–	147
Ms. Xu Li *(note i)*	–	207	20	–	227
Ms. Zhang Yuan *(note i)*	–	219	21	–	240
Total	–	1,098	133	–	1,231
Name of Independent Non-executive Directors					
Mr. Jiang Fuxin *(note i)*	60	–	–	–	60
Mr. Feng Qiaogen *(notes i and iv)*	60	–	–	–	60
Total	120	–	–	–	120
Name of Supervisors					
Ms. Yu Min *(note i)*	–	119	21	–	140
Ms. Wu Xuemei *(note i)*	–	138	16	–	154
Ms. Lu Jiachun *(note i)*	–	72	16	–	88
Ms. Chen Xiu *(note ii)*	–	73	15	–	88
Total	–	402	68	–	470

Six months ended 30 June 2012 (Unaudited)

	Fees	Basic salaries and bonus	Social insurance and housing fund	Housing and other allowances and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of Executive Directors					
Mr. Gui Ping Hu *(note i)*	–	277	44	–	321
Ms. Zhu Feifei *(note i)*	–	24	8	–	32
Ms. Xu Li *(note i)*	–	45	12	–	57
Ms. Zhang Yuan *(note i)*	–	44	12	–	56
Total	–	390	76	–	466
Name of Supervisors					
Ms. Yu Min *(note i)*	–	37	9	–	46
Ms. Wu Xuemei *(note i)*	–	43	8	–	51
Ms. Lu Jiachun *(note i)*	–	30	8	–	38
Ms. Chen Xiu *(note ii)*	–	28	7	–	35
Total	–	138	32	–	170

Six months ended 30 June 2013

	Fees	Basic salaries and bonus	Social insurance and housing fund	Housing and other allowances and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of Executive Directors					
Mr. Gui Ping Hu *(note i)*	–	369	39	–	408
Ms. Zhu Feifei *(note i)*	–	41	8	–	49
Ms. Xu Li *(note i)*	–	67	11	–	78
Ms. Zhang Yuan *(note i)*	–	71	12	–	83
Total	–	548	70	–	618
Name of Non-executive Director					
Mr. Xu Chuntao *(note ii)*	–	–	–	–	–
Name of Independent Non-executive Directors					
Mr. Jiang Fuxin *(note i)*	–	–	–	–	–
Mr. Feng Qiaogen *(notes i and iv)*	–	–	–	–	–
Ms. Feng Qing *(note iii)*	30	–	–	–	30
Total	30	–	–	–	30
Name of Supervisors					
Ms. Yu Min *(note i)*	–	46	11	–	57
Ms. Wu Xuemei *(note i)*	–	49	9	–	58
Ms. Lu Jiachun *(note i)*	–	36	11	–	47
Ms. Chen Xiu *(note i)*	–	38	9	–	47
Mr. Tao Xingrong *(note ii)*	–	–	–	–	–
Total	–	169	40	–	209

Notes:

(i) Appointed on 25 October 2012. The director's fee for the forthcoming 12 months was paid to the director on the date of appointment and will be payable on the same date of each year subsequently.

(ii) Appointed on 16 May 2013 as representatives of 上海復星創富股權投資基金合夥企業(有限合夥) (Shanghai Fosun Chuangfu Shareholding Fund Limited Partnership*) and not entitled to any emoluments.

(iii) Appointed on 25 January 2013.

(iv) Appointed as Executive Director on 25 October 2012 and resigned on 20 July 2013.

b. Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2012 and 2013 included three, three, three, three and four directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining highest paid individuals during the Relevant Periods are as follows:

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Wages and salaries	618	580	395	260	129
Social insurance and housing fund	56	52	36	25	14
	674	632	431	285	143

The emoluments of each of the above highest paid individuals were all within the band from nil to RMB1,000,000 during the Relevant Periods.

The number of directors and senior management whose remuneration fell within the following bands were as follows:

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
				(unaudited)	
nil to RMB1,000,000	15	15	18	16	21

During the Relevant Periods no emoluments were paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors waived or agreed to waive any emoluments during the Relevant Periods.

13. EARNINGS PER SHARE

The basic earnings per share for the each of the years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2012 and 2013 is calculated based on the profit attributable to the owners of the Company and on the assumption that 55,000,000 shares issued upon the transformation of the Company from a limited liability company to a joint stock limited liability company had been in issue since 1 January 2010.

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
				(unaudited)	
Profit attributable to owners of the Company (RMB'000)	15,788	34,814	57,237	26,168	29,700
Weighted average number of ordinary shares in issue	55,000,000	55,000,000	55,000,000	55,000,000	56,553,097
Basic earnings per share	0.29	0.63	1.04	0.48	0.53

There were no dilutive potential ordinary shares in issue during the Relevant Periods, the amount of diluted earnings per share is the same as basic earnings per share for the Relevant Periods.

14. DIVIDENDS

The dividends paid or payable during the Relevant Periods by the Company were as follows:

	Year ended 31 December			Six months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Special dividend approved and paid/payable during the year/period	6,000	–	35,000	15,000	26,000

The directors of the Company proposed an interim dividend of RMB30,000,000 after the end of the reporting period. The Company's shareholders passed a written resolution on 10 September 2013 and the dividend has been subsequently paid. The final dividend has not been recognised as liabilities at the end of the reporting period.

The dividend rates and the number of shares ranking for dividends are not presented as such information is not meaningful for the purpose of this report.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010:						
Cost	21,818	30	4,461	2,085	2,857	31,251
Accumulated depreciation	(3,266)	(14)	(3,018)	(1,438)	(1,730)	(9,466)
Net carrying amount	18,552	16	1,443	647	1,127	21,785
At 1 January 2010, net of accumulated depreciation	18,552	16	1,443	647	1,127	21,785
Additions	–	–	–	225	325	550
Depreciation	(1,044)	(6)	(401)	(277)	(475)	(2,203)
Disposals	–	–	–	(179)	–	(179)
Exchange realignment	–	–	–	4	–	4
At 31 December 2010, net of accumulated depreciation	17,508	10	1,042	420	977	19,957
31 December 2010:						
Cost	21,818	30	4,461	1,767	3,182	31,258
Accumulated depreciation	(4,310)	(20)	(3,419)	(1,347)	(2,205)	(11,301)
Net carrying amount	17,508	10	1,042	420	977	19,957
At 1 January 2011, net of accumulated depreciation	17,508	10	1,042	420	977	19,957
Additions	–	–	74	172	–	246
Depreciation	(1,044)	(6)	(391)	(200)	(450)	(2,091)
Disposals	–	–	(1)	(29)	(6)	(36)
Exchange realignment	–	–	–	(4)	–	(4)
At 31 December 2011, net of accumulated depreciation	16,464	4	724	359	521	18,072
31 December 2011:						
Cost	21,818	30	4,513	1,400	2,985	30,746
Accumulated depreciation	(5,354)	(26)	(3,789)	(1,041)	(2,464)	(12,674)
Net carrying amount	16,464	4	724	359	521	18,072

	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2012, net of accumulated depreciation	16,464	4	724	359	521	18,072
Additions	–	639	–	658	1,093	2,390
Depreciation	(1,047)	(39)	(239)	(287)	(370)	(1,982)
Exchange realignment	–	–	–	–	(4)	(4)
At 31 December 2012, net of accumulated depreciation	15,417	604	485	730	1,240	18,476
31 December 2012:						
Cost	21,818	669	4,513	2,058	4,074	33,132
Accumulated depreciation	(6,401)	(65)	(4,028)	(1,328)	(2,834)	(14,656)
Net carrying amount	15,417	604	485	730	1,240	18,476
At 1 January 2013, net of accumulated depreciation	15,417	604	485	730	1,240	18,476
Additions	3,795	1,607	–	563	193	6,158
Depreciation	(607)	(244)	(95)	(172)	(271)	(1,389)
Disposals	–	–	–	(2)	(6)	(8)
Exchange realignment	–	–	–	(8)	(83)	(91)
At 30 June 2013, net of accumulated depreciation	18,605	1,967	390	1,111	1,073	23,146
30 June 2013:						
Cost	25,613	2,276	4,513	2,597	3,953	38,952
Accumulated depreciation	(7,008)	(309)	(4,123)	(1,486)	(2,880)	(15,806)
Net carrying amount	18,605	1,967	390	1,111	1,073	23,146

The Company

	Buildings	Leasehold improvements	Office equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010:					
Cost	15,580	–	691	1,059	17,330
Accumulated depreciation	(2,368)	–	(505)	(667)	(3,540)
Net carrying amount	13,212	–	186	392	13,790
At 1 January 2010, net of accumulated depreciation	13,212	–	186	392	13,790
Additions	–	–	91	95	186
Depreciation	(748)	–	(111)	(129)	(988)
At 31 December 2010, net of accumulated depreciation	12,464	–	166	358	12,988
31 December 2010:					
Cost	15,580	–	782	1,154	17,516
Accumulated depreciation	(3,116)	–	(616)	(796)	(4,528)
Net carrying amount	12,464	–	166	358	12,988
At 1 January 2011, net of accumulated depreciation	12,464	–	166	358	12,988
Additions	–	–	46	–	46
Depreciation	(748)	–	(89)	(123)	(960)
Disposals	–	–	(8)	(6)	(14)
At 31 December 2011, net of accumulated depreciation	11,716	–	115	229	12,060
31 December 2011:					
Cost	15,580	–	642	957	17,179
Accumulated depreciation	(3,864)	–	(527)	(728)	(5,119)
Net carrying amount	11,716	–	115	229	12,060

	Buildings	Leasehold improvements	Office equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2012, net of accumulated depreciation	11,716	–	115	229	12,060
Additions	–	516	354	138	1,008
Depreciation	(748)	(64)	(98)	(133)	(1,043)
At 31 December 2012, net of accumulated depreciation	10,968	452	371	234	12,025
31 December 2012:					
Cost	15,580	516	996	1,095	18,187
Accumulated depreciation	(4,612)	(64)	(625)	(861)	(6,162)
Net carrying amount	10,968	452	371	234	12,025
At 1 January 2013, net of accumulated depreciation	10,968	452	371	234	12,025
Additions	–	526	314	–	840
Depreciation	(374)	(176)	(85)	(65)	(700)
At 30 June 2013, net of accumulated depreciation	10,594	802	600	169	12,165
30 June 2013:					
Cost	15,580	1,042	1,310	1,095	19,027
Accumulated depreciation	(4,986)	(240)	(710)	(926)	(6,862)
Net carrying amount	10,594	802	600	169	12,165

16. PREPAID LAND LEASE PAYMENTS

The Group

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at beginning of year/period	4,669	4,568	4,467	4,367
Release to profit or loss during the year/period	(101)	(101)	(100)	(51)
Carrying amount at end of year/period	4,568	4,467	4,367	4,316
Less: Amounts classified as current assets	(101)	(101)	(101)	(101)
	4,467	4,366	4,266	4,215

The prepaid land lease payments represented the Group's interest in medium-term leasehold land in the PRC.

17. INTANGIBLE ASSETS

The Group

	Registered license
	RMB'000
Cost:	
At 1 January 2010, 31 December 2010, 2011 and 2012 and 30 June 2013	1,050
Accumulated amortisation and impairment:	
At 1 January 2010	(757)
Charge for the year	(65)
At 31 December 2010	(822)
Charge for the year	(65)
At 31 December 2011	(887)
Charge for the year	(65)
At 31 December 2012	(952)
Charge for the period	(33)
At 30 June 2013	(985)

	Registered license
	RMB'000
Carrying amount:	
At 31 December 2010	228
At 31 December 2011	163
At 31 December 2012	98
At 30 June 2013	65

18. INVESTMENT PROPERTY

The Company

	RMB'000
Cost:	
At 1 January 2010, 31 December 2010, 2011 and 2012	–
Addition	3,795
At 30 June 2013	3,795
Accumulated depreciation:	
At 1 January 2010, 31 December 2010, 2011 and 2012	–
Charge for the period	(91)
At 30 June 2013	(91)
Carrying amount:	
At 31 December 2010, 2011 and 2012	–
At 30 June 2013	3,704

Investment property is situated in the PRC and held on a medium-term leasehold land. Currently the investment property is rented to a subsidiary. At the end of the reporting period, the directors consider no impairment of the investment property is necessary.

19. DEFERRED TAX ASSETS

Details of the deferred tax assets recognised in the consolidated statements of financial position and movements during the Relevant Periods are as follows:

	Unrealised profit on inter-company transactions
	RMB'000
At 1 January 2010	448
Charged to profit or loss	(63)
At 31 December 2010	385
Credited to profit or loss	1,352
At 31 December 2011	1,737
Charged to profit or loss	(168)
At 31 December 2012	1,569
Charged to profit or loss	(501)
At 30 June 2013	1,068

20. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	1,016	564	639	579
Work-in-progress	13	9	172	189
Finished goods	722	964	887	631
Goods merchandise	3,687	9,407	11,986	8,563
	5,438	10,944	13,684	9,962

The Company

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Goods in transit	2,739	6,639	566	1,729
Goods merchandise	1,992	4,317	15,197	7,465
	4,731	10,956	15,763	9,194

21. TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	545	303	474	339
Less: impairment losses	(179)	–	–	–
	366	303	474	339
Other receivables	314	223	283	317
Deposits and prepayments	2,766	5,463	2,974	3,532
	3,446	5,989	3,731	4,188

The ageing analysis of trade receivables (net of impairment losses) as of the end of each reporting period is as follows:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	42	120	165	207
Over 1 month but within 3 months	3	–	296	127
Over 3 months but within 1 year	164	40	9	5
Over 1 year	157	143	4	–
	366	303	474	339

The Group gives a 15-60 days credit period on sales of goods to a few specific customers. In general, the Group has no credit period granted to all other customers, invoices would be due once they have been issued.

The ageing of trade receivables which are past due but not impaired are as follows:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	42	11	13	62
Over 1 month but within 3 months	3	–	5	–
Over 3 months but within 1 year	164	40	9	5
Over 1 year	157	143	4	–
	366	194	31	67

The below table reconciled the impairment loss of trade receivables for the Relevant Periods:

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	254	179	–	–
Uncollectible amounts written off	(75)	(179)	–	–
At end of year/period	179	–	–	–

The Group recognised impairment loss on individual assessment based on the accounting policy stated in Note 4(h)(ii).

The Company

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	296	180	31	89
Less: impairment losses	–	–	–	–
	296	180	31	89
Other receivables	37	52	74	32
Deposits and prepayments	419	4	207	712
	752	236	312	833

The ageing analysis of trade receivables (net of impairment losses) as of the end of each reporting period is as follows:

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	–	5	13	69
Over 1 month but within 3 months	–	–	5	15
Over 3 months but within 1 year	138	32	9	5
Over 1 year	158	143	4	–
	296	180	31	89

The Company gives 30 days credit period on sales of goods to a few specific customers. In general, the Company has no credit period granted to customers, invoices would be due once they have been issued.

The ageing of trade receivables which are past due but not impaired are as follows:

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	–	5	13	62
Over 1 month but within 3 months	–	–	5	–
Over 3 months but within 1 year	138	32	9	5
Over 1 year	158	143	4	–
	296	180	31	67

The Group and the Company's receivables that were past due but not impaired related to a number of independent customers that have a good track record. Based on past experience, the directors consider that no impairment 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's and the Company's receivables that were neither past due nor impaired related to a number of independent customers that have no recent history of default. The Group and the Company does not hold any collateral over these balances.

22. SHORT TERM INVESTMENTS

The Group

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital guaranteed fund	–	9,000	–	22,000

The Company

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital guaranteed fund	–	–	–	15,000

The Group's and the Company's investments in capital guaranteed fund are placed in financial institutions with a maturity of 6 months and offer the Group and the Company a fixed guaranteed capital and return rates of 4.35% to 5.4% per annum.

The carrying value of capital guaranteed fund is stated at amortised cost using the effective interest method.

23. CASH AND BANK BALANCES

The Group

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits	5,000	7,000	9,000	9,000
Cash at banks and on hand	31,306	55,775	84,220	119,383
	36,306	62,775	93,220	128,383

The currency analysis of cash and bank balances are shown as follows:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Renminbi	33,673	56,257	87,913	124,345
Australian dollars	2,633	6,518	5,307	4,038
	36,306	62,775	93,220	128,383

Cash and bank balances comprise cash and bank balances held by the Group with an original maturity within 3 months. Bank balances carry interest rate at 0.36% per annum, 0.5% per annum, 0.5% per annum and 0.35% per annum as at 31 December 2010, 2011 and 2012 and 30 June 2013 respectively.

Time deposits at banks of the Group were non-pledged time deposits with original maturity of more than three months. The time deposits carry fixed interest rates of 2.75% per annum, 3.5% per annum, 3.5% per annum and 3.5% per annum as at 31 December 2010, 2011 and 2012 and 30 June 2013 respectively.

The Company

Bank balances carry interest rate at 0.36% per annum, 0.5% per annum, 0.35% per annum and 0.35% per annum as at 31 December 2010, 2011 and 2012 and 30 June 2013 respectively.

24. TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,209	580	885	1,197
Other payables and accruals	3,201	8,034	9,152	8,824
	4,410	8,614	10,037	10,021

All trade payables and other payables and accruals are due to be settled within twelve months.

The ageing analysis of trade payables as of the end of reporting period is as follows:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	715	15	230	107
Over 1 month but within 3 months	6	89	443	874
Over 3 month but within 1 year	459	93	86	3
Over 1 year	29	383	126	213
	1,209	580	885	1,197

The Company

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	–	9	–	16
Other payables and accruals	2,071	2,655	3,478	4,801
	2,071	2,664	3,478	4,817

25. SHARE CAPITAL

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Registered and paid up capital				
At beginning of year/period	26,000	26,000	26,000	55,000
Issue of shares *(notes i and iii)*	–	–	1,000	6,111
Share capitalisation *(note ii)*	–	–	28,000	–
At end of year/period	26,000	26,000	55,000	61,111

Notes:

(i) Pursuant to the resolution passed on shareholders' meeting on 2 July 2012, the authorised share capital increased from RMB26,000,000 to RMB27,000,000. It was resolved that an additional paid-in capital of RMB1,000,000 was subscribed by 南京中研投資合夥企業(有限合夥) (Nanjing Zhongyan Investment Limited Partnership*) at a total consideration of RMB6,193,700.

(ii) Pursuant to the resolution passed on shareholders' meeting on 8 October 2012, the Company was transformed from a limited liability company to a joint stock limited liability company. As part of the transformation, the Company's paid-in capital of RMB27,000,000 was converted into 27,000,000 ordinary shares of RMB1 par value and 28,000,000 new ordinary shares of RMB1 each were allotted and issued to the original shareholders according to their original portion in shareholding by way of capitalisation of capital reserve of RMB2,791,000, surplus reserve of RMB5,078,000 and retained earnings of RMB20,122,000.

(iii) Pursuant to the resolution passed on shareholders' meeting on 16 May 2013, the authorised share capital increased from 55,000,000 ordinary shares with par value of RMB1 each to 61,111,100 ordinary shares with par value of RMB1 each. It was resolved that an additional 6,111,100 ordinary shares of RMB1 par value were issued to 上海復星創富股權投資基金合夥企業(有限合夥) (Shanghai Fosun Chuangfu Shareholding Fund Limited Partnership*) at a total consideration of RMB50,000,000.

26. RESERVES

The Group

The amount of the Group's reserves and movements for the Relevant Periods are presented in the consolidated statements of changes in equity on page I-10 and I-11 of the Financial Information.

The Company

	Capital reserve	Surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010	–	2,144	13,435	15,579
Total comprehensive income for the year	–	–	11,756	11,756
Transfer to surplus reserve	–	1,146	(1,146)	–
At 31 December 2010 and 1 January 2011	–	3,290	24,045	27,335
Total comprehensive income for the year	–	–	18,040	18,040
Transfer to surplus reserve	–	1,797	(1,797)	–
At 31 December 2011 and 1 January 2012	–	5,087	40,288	45,375
Issue of share capital	5,194	–	–	5,194
Total comprehensive income for the year	–	–	45,606	45,606
Transfer to surplus reserve	–	2,927	(2,927)	–
Dividend declared and paid	–	–	(35,000)	(35,000)
Capitalisation of shares	(2,791)	(5,087)	(20,122)	(28,000)
At 31 December 2012 and 1 January 2013	2,403	2,927	27,845	33,175
Issue of share capital	43,889	–	–	43,889
Total comprehensive income for the period	–	–	32,723	32,723
Dividend declared and paid	–	–	(26,000)	(26,000)
At 30 June 2013	46,292	2,927	34,568	83,787
Unaudited:				
At 1 January 2012	–	5,087	40,288	45,375
Total comprehensive income for the period	–	–	10,931	10,931
Dividend declared	–	–	(15,000)	(15,000)
At 30 June 2012	–	5,087	36,219	41,306

(i) Surplus reserve

In accordance with the PRC regulations, certain companies in the PRC are required to transfer part of their profits after tax determined under the PRC accounting standards to the surplus reserve fund, before profit distributions are made. The statutory reserve fund is non-distributable and may be used either to offset losses, or for capitalisation issues by way of paid-up capital.

(ii) Capital reserve

The amount arose from the share issue in 2012 which represented the balance of the credit amount arising from the excess of the par value of the shares from the paid-in capital.

(iii) Merger reserve

(a) On 10 August 2010, the Company acquired the business of Nanjing Zhongsheng Pharmaceutical Co., Limited ("Nanjing Zhongsheng Pharmaceutical") from Mr. Gui Ping Hu ("Mr. Gui") and his spouse, Ms. Wu Yan Mei, the controlling shareholders at Nil consideration. This transaction has been accounted for as business combination using the principles of merger accounting set out in Note 4(a)(i). The nominal value of the paid-in capital of Nanjing Zhongsheng Pharmaceutical was directly recognised in the merger reserve.

(b) On 24 December 2012, the Group acquired the entire equity interest in Australia Cobayer Health Food Co Pty Ltd. ("Australia Cobayer") from Mr. Gui. This transaction has been accounted for using the principles of merger accounting. The excess of consideration paid over the nominal value of the issued share capital was directly recognised in the merger reserve.

(iv) Translation reserve

This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. This reserve is dealt with in accordance with the accounting policy in Note 4(k).

(v) Deemed distribution to Controlling Shareholders

(a) In 2010, Nanjing Zhongsheng Pharmaceutical went into the process of de-registration. In December 2010, the assets of Nanjing Zhongsheng Pharmaceutical were liquidated and paid to the controlling shareholders in cash amounting to RMB1,780,000. The distribution was regarded as deemed distribution to controlling shareholders.

(b) As mentioned in note (iii)(b), the Group acquired the entire equity interest in Australia Cobayer and the consideration paid to Mr. Gui amounting to RMB4,100,000 was regarded as a deemed distribution to a controlling shareholder.

27. INVESTMENT IN SUBSIDIARIES

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost	24,800	25,600	31,540	31,540

28. AMOUNTS DUE FROM/(TO) DIRECTORS/RELATED PARTIES/SUBSIDIARIES

(i) The amounts due from/(to) related parties were unsecured, interest-free and repayable on demand.

(ii) The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

(iii) The amount due to a director is unsecured, interest-free and repayable on demand.

(iv) The amounts due from directors were unsecured, interest-free and repayable on demand. Details of amounts due from directors and maximum amounts outstanding disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

The Group

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Zhang Yuan	256	271	271	–
Xu Li	–	–	420	–
	256	271	691	–
Maximum amounts outstanding:				
Zhang Yuan	256	271	271	271
Xu Li	–	–	420	420

The Company

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gui Pinghu	412	522	–	–
Zhang Yuan	256	271	271	–
Xu Li	–	–	420	–
	668	793	691	–
Maximum amounts outstanding:				
Gui Pinghu	412	522	522	–
Zhang Yuan	256	271	271	271
Xu Li	–	–	420	420

29. ACQUISITION OF BUSINESS

On 27 September 2012, the Group acquired 100% equity interests in 南京德澳國際貿易有限公司 (Nanjing Deao International Trade Co. Limited) from a related party of the controlling shareholder, for a total consideration of RMB1,840,000. These transactions have been accounted for by the acquisition method of accounting.

The net assets acquired in the transaction are as follows:

	Fair value
	RMB'000
Net assets acquired:	
Cash and bank balances	2,392
Other receivables and prepayments	662
Amounts due to related companies	(1,125)
Tax payable	(109)
	1,820
Total consideration settled by cash	1,840
Excess written off to profit or loss	20

	RMB'000
Net cash inflow arising on acquisition:	
Cash consideration	(1,840)
Cash and bank balances acquired	2,392
	552

The acquisition of import trading business is to improve the Group's supply chain. After the acquisition, the contribution of profit to the Group since the date of acquisition up to 31 December 2012 amounted to approximately RMB96,000. No revenue was contributed to the Group since the date of acquisition up to 31 December 2012 because all the sales transactions were within the group companies. If the acquisition had occurred on 1 January 2012, there would be no effect on the Group's revenue and the Group's profit for the year would have been increased by RMB199,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2012, nor is it intended to be a projection of future performance. The acquisition-related cost is immaterial.

The fair value and gross amount of other receivables and prepayments at the date of acquisition amounted to RMB662,000. None of these balances have been impaired and it is expected that the full contractual amounts can be collected.

30. OPERATING LEASE ARRANGEMENTS

As lessee

The Group and the Company leases the majority of its properties. The terms of property leases range from one to five years, with an option to renew the lease terms at the expiry date.

The total future minimum lease payments under non-cancellable operating leases are due as follows:

The Group

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	593	437	494	1,497
After one year but within five years	–	–	495	993
	593	437	989	2,490

The Company

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	330	61	200	272
After one year but within five years	–	–	495	242
	330	61	695	514

As lessor

The Company

The Company leases its investment property to its subsidiary under operating lease arrangement, with a lease term of 2 years, with an option to renew the lease term at the expiry date or at dates as mutually agreed.

The total future minimum lease receivables under a non-cancellable operating lease are due as follows:

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	–	–	–	120
After one year but within five years	–	–	–	100
	–	–	–	220

31. RELATED PARTY DISCLOSURES

Save as disclosed in Note 28, the related party disclosures for the Group during the Relevant Periods are as follows:

(a) During the Relevant Periods, the Group has the following related parties which have transactions with the Group:

Name	**Relationship**
Gui Pinghu (桂平湖) ("Mr. Gui")	Controlling shareholder and director of the Company ("Controlling Shareholder")
Wu Yan Mei (吳艷梅)	Spouse of Mr. Gui
Gui Ke (桂客)	Son of Mr. Gui ("close family member")
Zhang Yuan (張源)	Director (appointed on 25 October 2012), General Manager of the Company
Xu Li (徐麗)	Director (appointed on 25 October 2012), Deputy General Manager of the Company
Wu Wenting (吳雯婷)	Niece of the spouse of Mr. Gui (Relative)

(b) During the Relevant Periods, the Group entered into the following significant transactions with its related parties:

	Year ended 31 December			**Six months ended 30 June**	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Transactions with related companies owned by Controlling Shareholder:					
– Sales *(note i)*	2,032	2,270	702	452	–
Transactions with Controlling Shareholder:					
– Rental expenses paid *(note ii)*	240	90	90	45	45
– Rental of office owned by Controlling Shareholder *(note iii)*	–	–	–	–	–
Transaction with a close family member of Controlling Shareholder:					
– Rental expenses paid *(note ii)*	240	–	–	–	–
Transactions with a relative of Controlling Shareholder:					
– Consideration paid for the acquisition of business *(Note 29)*	–	–	1,840	–	–
– Import agency fees paid *(note iv)*	–	771	766	487	–

Notes:

(i) Sales transactions were conducted at prices agreed by both parties. There was no credit period granted to the related parties. The outstanding trade receivables at 31 December 2010, 2011 and 2012 and 30 June 2013 were RMB678,000, RMB483,000, nil and nil respectively. They were interest free and unsecured. The Group has not made any provision for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during the Relevant Periods regarding related party transactions. These transactions were discontinued as these companies were dissolved.

(ii) Rental expenses were charged according to the agreement.

(iii) During the Relevant Periods, an office occupied by a subsidiary located in Australia was owned by the Controlling Shareholder of which no rental charged by the Controlling Shareholder. The market rental values were estimated as minimal.

(iv) The amounts represented the net agency fees paid for arranging imports of Australian products. This transaction was discontinued as this company was acquired by the Group (Note 29).

The directors are of the opinion that these transactions were conducted in normal business terms and in the ordinary course of business.

(c) Compensation of key management personnel

Total emoluments of the Group's directors and senior management during the Relevant Periods:

	Year ended 31 December			**Six months ended 30 June**	
	2010	**2011**	**2012**	**2012**	**2013**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
– Basic salaries and bonus	1,459	1,630	2,668	831	1,174
– Social insurance and housing fund	197	278	338	169	188
	1,656	1,908	3,006	1,000	1,362

32. CAPITAL RISK MANAGEMENT

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital (including share capital and reserves) by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchases the Company's shares.

33. FINANCIAL RISK MANAGEMENT

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including credit risk, liquidity risk, interest rate risk and currency risk. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as follows:

(a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk. Trade receivables consist of a large number of customers which had no recent history of default.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 21.

(b) Liquidity risk

The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the Group's and the Company's remaining contractual maturities for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

The Group

	Carrying amount	Total contractual undiscounted cash flows	On demand or within one year
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2010			
Trade and other payables	4,279	4,279	4,279
Amount due to a director	2,741	2,741	2,741
	7,020	7,020	7,020
As at 31 December 2011			
Trade and other payables	5,428	5,428	5,428
Amounts due to related parties	266	266	266
Amount due to a director	2,957	2,957	2,957
	8,651	8,651	8,651
As at 31 December 2012			
Trade and other payables	8,774	8,774	8,774
Amount due to a director	3,983	3,983	3,983
	12,757	12,757	12,757
As at 30 June 2013			
Trade and other payables	9,782	9,782	9,782
Amount due to a director	3,303	3,303	3,303
	13,085	13,085	13,085

The Company

	Carrying amount	Total contractual undiscounted cash flows	On demand or within one year
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2010			
Trade and other payables	1,940	1,940	1,940
Amounts due to subsidiaries	3,107	3,107	3,107
	5,047	5,047	5,047
As at 31 December 2011			
Trade and other payables	2,664	2,664	2,664
Amounts due to subsidiaries	1,405	1,405	1,405
	4,069	4,069	4,069
As at 31 December 2012			
Trade and other payables	3,367	3,367	3,367
Amounts due to subsidiaries	7,604	7,604	7,604
	10,971	10,971	10,971
As at 30 June 2013			
Trade and other payables	4,784	4,784	4,784
Amounts due to subsidiaries	1,730	1,730	1,730
	6,514	6,514	6,514

(c) Currency risk

The group companies mainly operated in their local jurisdiction with most of the transactions settled in their functional currency of the operation and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(d) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rate.

34. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts of financial assets and liabilities as defined in Note 4(h).

The Group

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Short term investments	–	9,000	–	22,000
Loans and receivables (including cash and bank balances)	37,766	64,167	94,959	129,781
Total	37,766	73,167	94,959	151,781
Financial liabilities				
Financial liabilities measured at amortised cost:				
– Trade and other payables	4,279	5,428	8,774	9,782
– Amount due to a director	2,741	2,957	3,983	3,303
– Amounts due to related parties	–	266	–	–
Total	7,020	8,651	12,757	13,085

The Company

	As at 31 December			As at 30 June
	2010	2011	2012	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Short term investments	–	–	–	15,000
Loans and receivables (including cash and bank balances)	17,321	29,726	38,847	82,094
Total	17,321	29,726	38,847	97,094
Financial liabilities				
Financial liabilities measured at amortised cost:				
– Trade and other payables	1,940	2,664	3,367	4,784
– Amount due to a director	–	–	161	–
– Amounts due to related parties	–	266	–	–
– Amounts due to subsidiaries	3,107	1,405	7,604	1,730
Total	5,047	4,335	11,132	6,514

The fair values of the Group's and the Company's financial assets and financial liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

35. SUBSEQUENT EVENTS

Save as disclosed in Note 14, there are no other significant events which have taken place subsequent to 30 June 2013.

III. SUBSEQUENT ACCOUNTS

No audited accounts have been prepared by the Group in respect of any period subsequent to 30 June 2013. Save as disclosed in Note 14 of Section II above, no dividend or other distribution has been declared, made or paid by the Company in respect of any period subsequent to 30 June 2013.

Yours faithfully,

BDO Limited
Certified Public Accountants

Ng Wai Man
Practising Certificate number P05309
Hong Kong