An investment in our Offer Shares involves significant risks. You should carefully consider the risks described below and the other information in this prospectus, including our financial statements and related notes, before you decide to buy our Offer Shares. If any of the following risks actually occur, our business and prospects could be materially harmed, the trading price of our Offer Shares could decline and you could lose all or part of your investment.

Our Directors believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks related to our business; (ii) risks related to our industry; (iii) risks related to doing business in the PRC; and (iv) risks related to the Global Offering.

Risks Related to Our Business

Risks Related to Our General Business

We rely on a limited number of amino acid-based nutritional supplements for the majority of our turnover, and any reduction in the demand for or availability of these products would have an adverse effect on our business.

Our amino acid-based nutritional supplements accounted for 86.2%, 82.6%, 60.3% and 51.2% of our turnover in 2006, 2007, 2008 and the nine months ended 30 September 2009, respectively. We expect turnover of these products to comprise a substantial portion of our turnover in the future. Due to this turnover concentration, an investment in our Company may entail more risks than investments in companies that are not as reliant on sales of one product line. If demand for any of these products decreases significantly due to competition from products manufactured by our competitors or because of alternative products, or if we are unable to manufacture or sell such products due to regulatory, intellectual property or other reasons, our business, financial condition and results of operations would be materially and adversely affected.

The recent global financial crisis and economic downturn had and may continue to have a material and adverse effect on our business, results of operations and financial condition.

The recent global financial crisis and economic downturn adversely affected economies and businesses around the world, including in China. According to the National Bureau of Statistics of China (中華人民共和國國家統計局), the monitoring signals of China's macro-economic climate index, which indicates the basic economic trend in China and is calculated based on data regarding, among others, industrial production, employment and social demand, decreased by 52.8% from July 2008 to February 2009. During the same period, China's consumer confidence index decreased by 8.5% from July 2008 to February 2009. As a result, our turnover in the nine months ended 30 September 2009 amounted to RMB523.7 million compared to RMB586.7 million in the nine months ended 30 September 2008. Our business, results of operations and financial condition have been and may continue to be adversely affected in a number of ways, including:

- consumers may seek to reduce discretionary spending by delaying or foregoing their purchases of our products;
- our distributors may decide not to purchase our products at similar volumes as in the past or at all;

- our distributors may experience deterioration of their financial condition, such as bankruptcy, insolvency or other credit failure, and they may therefore not be able to meet their financial obligations to us or may delay payment to us; and
- financing and other sources of liquidity may not be available on acceptable terms or at all.

In addition, we were requested to repay some of our outstanding loans on an accelerated basis or to increase the amount of the collateral. These requests were withdrawn after negotiation, but we may receive similar requests in the future and may be unable to renew our bank loans on similar terms or at all. If the current economic downturn continues, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to continue to sell liquid amino acids manufactured exclusively for us by an Independent Third Party or to launch our self-produced liquid amino acids due to the unavailability of application procedures for food production licences following abolition of the requirements for food hygiene permits.

In 2006, 2007, 2008 and the nine months ended 30 September 2009, turnover from the sales of liquid amino acids amounted to nil, RMB116.6 million, RMB159.6 million and RMB32.3 million, respectively, representing nil, 28.7%, 25.2% and 6.2%, respectively, of our total turnover during the same periods. The liquid amino acids we currently sell were jointly manufactured for us by Independent Third Party manufacturers, Zhangshu City Qiling Pharmaceutical Company Limited (樟樹市齊靈藥業有限公司) and Zhangshu Institute. The GMP certification required for manufacturing this product was held by Zhangshu City Qiling Pharmaceutical Company Limited, which expired on 4 January 2010. Zhangshu City Qiling Pharmaceutical Company Limited has applied to the relevant authorities to renew its GMP certification, but the application has not been approved. All liquid amino acids we have purchased were manufactured before 4 January 2010 and, therefore, as advised by our PRC legal counsel, Grandall Legal Group (Shanghai), the expiration of this manufacturer's GMP certification does not prevent us from selling such liquid amino acids to the market, there is no assurance that this GMP certification will be renewed before we sell out the liquid amino acids in our inventory. Furthermore, our own amino acid-based liquid production line was completed in December 2008, but we will not be able to produce this product until relevant regulations are promulgated and implemented and permits for our production line are obtained. Therefore, if Zhangshu City Qiling Pharmaceutical Company Limited fails to receive the renewed GMP certification in time, our applications for the relevant permits for our own production line are not granted timely or at all, and we are unable to purchase this product from qualified suppliers on commercially reasonable terms or at all, we will not able to sell this product to the market and our financial condition and results of operation may be materially and adversely affected.

We may not be able to successfully identify and acquire new products or businesses.

Our growth strategy in part relies on our acquisitions of new product candidates, products or, to a lesser extent, businesses from third parties. We expanded into the pharmaceutical business through our acquisition of Nanjing Ruinian. During the Track Record Period, we obtained technologies relating to our Ruinian-branded liquid amino acids and all of our pharmaceutical products. We do not develop new pharmaceutical products ourselves. Instead, we have acquired from third parties all of our pharmaceutical product candidates. We rely on our relationships with certain research and development institutions to identify acquisition candidates. Any future growth through acquisitions will be dependent upon the continued availability of suitable acquisition candidates at favourable prices and upon advantageous terms and conditions. Even if such opportunities are present, we may not

be able to successfully identify such acquisition targets. Moreover, other companies, many of which may have substantially greater financial, marketing and sales resources, are competing with us for the right to acquire such product candidates, products or businesses. In relation to our pharmaceutical business, if we cannot be successful in acquiring suitable pharmaceutical product candidates for production by Nanjing Ruinian, our pharmaceutical business may not develop as we expect, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

If an acquisition candidate is identified, the third parties with which we seek to cooperate may not select us as a potential partner, or we may not be able to enter into arrangements on commercially reasonable terms or at all. Furthermore, the negotiation and completion of potential acquisitions could cause significant diversion of management's time and resources and potential disruption of our ongoing business.

Any failure to develop and introduce new products, and any failure to gain market acceptance of our new products, could have a negative effect on our business.

Our future growth is dependent on our ability to improve our existing products, diversify our product range and develop new and competitively priced products that can meet the requirements of the changing market. Factors that could affect our ability to introduce new products include, among others, limited capital resources, government regulations, the inability to attract and retain qualified product development staff, failure to maintain or develop collaborations with research companies, failure to successfully develop and purchase technology relating to new products, intellectual property rights of competitors that may limit our ability to offer comparable products and any failure to anticipate changes in consumer tastes and buying preferences. In addition, the development cycle for nutritional supplements, which includes the application for relevant governmental approvals, is long, typically ranging from one to three years. There is no assurance that we will be able to identify new products with significant market potential. We initially develop proposals for new nutritional supplement products through feedback collected by our sales and marketing professionals. Due to the rapidly changing nature of nutritional supplement market in China, there can be no assurance that we will be able to identify trends in consumer preferences or needs and develop new product ideas that respond to such trends in a timely manner or at all. Any delay or failure to develop and introduce new products may significantly impede our business and our ability to compete.

We cannot assure you that we will be able to launch our product candidates or that they will become commercially successful. Product candidates that appear to be promising at their early phases of research and development may fail to be commercialised. Even if such product candidates can be successfully commercialised, they may not achieve the level of market acceptance that we expect. Future technological improvements and continual product developments in the nutritional supplement market and the pharmaceutical market may render our existing products obsolete or affect their viability and competitiveness. If we fail to introduce new products on a timely basis, our distributors may look to other manufacturers for products demanded by consumers and doctors. In addition, if our new products fail to gain market acceptance, are restricted by regulatory requirements, or have quality problems, our results of operations would be harmed. The success of our new product offerings depends upon a number of factors, including our ability to develop new products to meet market demand, price our products competitively, manufacture and deliver our products in sufficient volumes and in a timely manner, raise sufficient capital and market and promote our product offerings effectively.

Our collaborations with outside scientists, consultants and research companies may be subject to restrictions and changes.

We work with chemists, biologists and other scientists and consultants at academic and other institutions with respect to our research, development, regulatory and compliance efforts. These scientists and consultants have provided valuable advice and input regarding our product development programmes. These scientists and consultants are not our employees, and they may have other commitments that would limit their future availability to us and typically will not enter into non-compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, we will be unable to prevent them from establishing competing businesses or developing competing products. If these scientists and consultants and their respective institutions cannot provide the assistance we need on reasonable terms, or at all, our operations and product development may be disrupted, and our financial condition and prospects may be materially and adversely affected.

In addition, when a potential nutritional supplement product is identified, our product development department collects relevant information and consults with our advisory board of experts to consider the viability of such product from both a technological and commercial perspective. If our advisory board determines the potential product to be viable, we will share information on such product with Beijing Bei Yi Ke Tai Pharmaceutical Technology Co., Ltd. (北京北醫科泰藥物載體技術有限公司), or Bei Yi Ke Tai, an Independent Third Party research company in China that we engaged to conduct product-specific research and development. If the research company successfully develops the new product under our instruction, we will require all rights associated with the relevant product to be transferred to us. See "Business — Product Development." However, research companies are not obligated to undertake any projects for us. Therefore, we cannot be certain that the research companies of our choice will be willing to initiate product research and testing for us. We cannot assure you that the collaboration with these experts and research companies will ultimately result in successful product offerings, and as such we may not be able to recover any expenses incurred by us in connection with such collaboration. There is also no assurance that we can maintain such collaborative relationships with them. The continued collaboration with such companies may require us to incur substantial expenditures. Our failure to maintain such arrangements could limit the number of new products that we can develop and ultimately decrease our sources of future turnover.

We have previously entered into trade financing transactions with related companies that were not in compliance with PRC laws.

During the portion of the Track Record Period up to March 2008, our PRC subsidiaries, Ruinian Industry and Nanjing Ruinian, and their respective related companies entered into trade financing transactions with certain PRC commercial banks which were not related to any underlying transactions. See "Business — Trade Financing with Related Companies." Our PRC legal counsel, Grandall Legal Group (Shanghai), has advised that such trade financing arrangements were not in compliance with PRC laws. We ceased to enter into trade financing transactions in March 2008 and have formulated and implemented a series of measures to ensure that such trade financing arrangements with related companies will not occur in the future. There is no assurance that the relevant regulatory authorities will not decide to penalise Ruinian Industry or Nanjing Ruinian for such actions in the future. Any such penalties may materially and adversely harm our business, financial condition and results of operations.

Our marketing activities are critical to the success of our products, and if we fail to grow our marketing capabilities, the market share, brand name and reputation of our products would be materially adversely affected.

The success and lifespan of our products depend to a significant extent on the effectiveness of our marketing activities. We market our nutritional supplements and general health food products to distributors and consumers mainly through television advertising, supplemented by advertisements in newspapers and magazines, on billboards and through other electronic media, celebrity spokesperson endorsements and promotional campaigns at selected retail outlets. In addition, in order to promote the market awareness and acceptance of our pharmaceutical products, our marketing professionals regularly visit hospitals, clinics and pharmacies to explain the therapeutic value of our pharmaceutical products and to keep healthcare professionals up to date on any developments relating to such pharmaceutical products. These various marketing activities are critical to the success of our products. However, we cannot assure you that our current and planned spending on marketing activities will be adequate. For example, television advertising rates in China have steadily increased, and we expect to continue increasing our advertising expenditures. Any factors adversely affecting our ability to grow our marketing capabilities or our ability to maintain adequate spending for marketing activities, such as the availability of resources or new governmental regulations, will have an adverse effect on the market share, brand name and reputation of our products, which may result in decreased demand for our products and negatively affect our business and results of operations.

Furthermore, PRC advertising laws and regulations require advertising content to be fair and accurate, not misleading and in full compliance with applicable laws. Contents of advertisements relating to our products must be filed with the provincial agency of the SFDA or other competent authorities, and the required permits and approvals from the provincial agency of the SFDA or other competent authorities must be obtained before their publication or broadcasting. Violation of these laws or regulations may result in penalties, including fines, orders to cease dissemination of the advertisements, orders to publish an advertisement correcting the misleading information and even criminal liabilities. In severe circumstances, the provincial agency of the SFDA may issue a safety warning to the public and publish the names of the violators. In addition, we cannot assure you that regulators will not interpret such laws and regulations differently than we do, or will deem our advertising content to be fair and accurate. In the past, we have been found to be in violation of advertising regulations for publishing advertisements that were different from the version approved by the SFDA. See "Regulation — Advertising." If we are found to have committed any additional violations, certain of our advertising activities may be discontinued, we may not be able to broadcast new advertisements in a timely manner, and therefore our turnover and reputation could be materially affected. Moreover, government actions and civil claims may be filed against us for misleading or inaccurate advertising. We may have to spend significant resources in defending against such actions, and these actions may damage our reputation, result in reduced turnover, and negatively affect our results of operations.

We recorded net current liabilities in the past and may not generate sufficient cash flows to finance our operations or satisfy our current liabilities.

As of 31 December 2006, we recorded net current liabilities of RMB17.2 million, primarily due to short-term bank loans in the amount of RMB297.7 million and bills payable to related companies in the amount of RMB249.1 million in 2006. In addition, our net cash used in operating activities amounted to RMB78.5 million in 2008. Our negative cash flow from operations in 2008 was primarily

due to an increase in inventories, a decrease in trade and other payables, and an increase in tax payments in 2008. In addition, our gearing ratio was 38.5%, 25.1%, 22.0% and 21.3% as of 31 December 2006, 2007 and 2008 and 30 September 2009, respectively. In the event that we are unable to generate sufficient cash flows for our operations or are otherwise unable to obtain sufficient funds to finance our operations or satisfy our current liabilities in a timely manner, our liquidity will be negatively affected, and our gearing and leverage may also increase. As a result, our business, prospects, financial condition and results of operations could be materially and adversely affected.

Our future liquidity needs are uncertain, and we may need to raise additional funds in the future.

As of 30 September 2009, we had RMB226.0 million in short-term bank loans and RMB75.2 million in cash and cash equivalents, and as of 31 December 2006, we recorded net current liabilities of RMB17.2 million, primarily because we financed our purchases of fixed assets and intangible assets through short-term borrowings. We may also need to raise funds in the future in addition to funds from our operations and proceeds from the Global Offering if our expenditures exceed our current expectations. This could occur for a number of reasons, including:

- we decide to devote a significant amount of financial resources to the research and development of product candidates that we believe to have significant commercialisation potential;
- we decide to acquire or licence rights to additional product candidates or new technologies;
- some or all of our product candidates prove to be not as commercially promising as we expect, and we are forced to develop or acquire additional product candidates; or
- our product candidates take longer to complete than we currently expect.

Our ability to raise additional funds in the future is subject to a variety of uncertainties, including:

- our future financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities by nutritional supplement companies and pharmaceutical companies; and
- economic, political and other conditions in the PRC and elsewhere.

We cannot assure you that our financial resources will be sufficient to meet our operational needs and capital requirements. If we need to obtain external financing, we cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all. Our future liquidity needs and other business reasons could require us to sell additional equity or debt securities or to obtain a credit facility. The sale of additional equity or equity-linked securities could result in additional dilution to our Shareholders. The incurrence of additional indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations.

Our financing costs are affected by changes in interest rates.

A significant portion of our operations are financed with borrowings from commercial banks in China. Our interest expenses related to bank loans and other indebtedness in 2006, 2007, 2008 and the nine months ended 30 September 2009 were RMB16.7 million, RMB20.3 million, RMB14.7 million

and RMB8.8 million, respectively. Most of our borrowings are in the form of interest-bearing short-term loans. Our financing costs and, as a result, our results of operations, are affected by changes in interest rates as most of the loans are short-term in nature. Bank interest rates may increase at the time we renew our bank loans or as we seek additional financing when existing loans mature. Any future increase in interest rates may materially and adversely affect our business, financial condition and results of operations.

A significant amount of intangible assets is recorded on our statement of financial position. Future impairment of our intangible assets could have a material adverse impact on our financial condition and results of operations.

As of 30 September 2009, our net intangible assets amounted to RMB60.3 million, representing 8.4% of our total net assets. Our intangible assets primarily consisted of technology we purchased and developed, which are carried at cost less accumulated amortisation, based on estimated useful lives of ten years, and accumulated impairment loss. We determine the estimated useful lives and related amortisation charges for our intangible assets based on the historical experience of the actual useful lives of intangible assets of similar nature and functions, and the practice in the industry. The estimates can significantly change as a result of technical innovations and competitor actions. While no impairment write-downs or change in useful life have been necessary to date, future events such as market acceptance of these products, introduction of superior products by our competitors, regulatory actions, safety concerns as to our products, and challenges to and infringement of our intellectual property rights, could have a material impact on estimates. This in turn could result in write-downs of our intangible assets, or a change in the useful lives of our intangible assets. Future write-downs of our intangible assets, or change in useful lives of our intangible assets, could decrease our profit, which would have a material adverse impact on our financial condition and results of operations.

We may not be able to obtain regulatory approvals and certificates for our nutritional supplement and pharmaceutical product candidates, and failure to obtain these approvals could materially harm our business.

All nutritional supplements and medicines must be approved by the SFDA before they can be marketed and sold in China. It often takes a number of years before a medicine can be ultimately approved by the SFDA. In addition, the SFDA and other regulatory authorities may apply new standards for safety, manufacturing, packaging, and distribution of future product candidates. Complying with such standards may be time-consuming and expensive and could result in delays in obtaining SFDA approvals for our product candidates, or possibly preclude us from obtaining SFDA approvals altogether. Furthermore, our product candidates may not be effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude us from obtaining regulatory approvals or prevent or limit their commercial use. The SFDA and other regulatory authorities may not approve the products that we plan to manufacture, and even if we do obtain regulatory approvals, such regulatory approvals may be subject to limitations on the indicated uses for which we may market a product, which may limit the size of the market for such product. See "— Risks Related to Our Industry — The nutritional supplement industry is heavily regulated" and "— Risks Related to Our Industry — The pharmaceutical industry is highly regulated, and future government regulation may place additional burdens on our business."

Regulatory authorities in the PRC have imposed significant compliance obligations to regulate the manufacturing of nutritional and pharmaceutical products. As a result, we may face delays in

production due to regulatory restrictions or other factors. Failure by our manufacturing facilities to comply with regulatory requirements could adversely affect our ability to provide products. All facilities and manufacturing techniques used for the manufacture of nutritional and pharmaceutical products must be operated in conformity with GMP. In complying with GMP requirements, we must continually spend time, money and effort in production, record-keeping and quality assurance and control to ensure that our products meet applicable specifications and other requirements for product safety, efficacy and quality. Currently, GMP certification for nutritional supplement manufacturers in Jiangsu Province is integrated into the renewal process of the food hygiene permit. Our current food hygiene permit will expire on 27 May 2012, and it remains unclear how our GMP certification will be renewed when our current food hygiene permit expires, as the requirement for food hygiene permits was abolished on 1 June 2009. See "Regulation — Permits and Licences for Manufacturers of Food Products — Food Hygiene Permit." Any failure by us to renew our GMP certification in the future may prevent us from continuing to carry on our business and have a material adverse effect on our financial condition and results of operations. Moreover, there may be differences in the product manufacturing standards in the PRC as compared to those in other countries such as the United States. As a result, our manufacturing process may not be fully comparable to those of manufacturers in such countries. Manufacturing facilities are subject to periodic unannounced inspections by the SFDA and other regulatory authorities. In addition, adverse experiences with the use of products must be reported to the SFDA and could result in the imposition of market restrictions through labelling changes or in product removal.

Our trademarks, patents and other non-patented intellectual property are valuable assets, and if we are unable to protect them from infringement, our business prospects may be harmed.

We consider our trademarks to be valuable assets. Under PRC law, we have the exclusive right to use certain trademarks for products for which such trademarks have been registered with the PRC Trademark Office of the State Administration for Industry and Commerce (中華人民共和國國家工商行政管理總局商標局). However, our efforts to defend our trademarks may be unsuccessful against competitors or other violating entities, and we may not have adequate remedies for any breach. Our commercial success will also depend in part on our obtaining and maintaining patent protection of our technologies, products and product candidates as well as successfully defending our patents against third-party challenges. We will only be able to protect our technologies, products and product candidates from unauthorised use by third parties to the extent that valid and enforceable patents cover them. In the event that our issued patents and our applications do not adequately describe, enable or otherwise provide coverage of our technologies, products and product candidates, we would not be able to exclude others from developing or commercialising these technologies, product candidates and products. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage.

We also rely on trade secrets to protect our technologies, especially where we believe patent protection is not appropriate or obtainable. However, trade secrets are difficult to protect. While we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors or scientific and other advisors (or those of the research companies with whom we have collaborations) may unintentionally or willfully disclose our information to competitors even if we may have entered into confidentiality agreements with them. In addition, such confidentiality agreements, if any, executed by the foregoing persons may not be enforceable or provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorised use or disclosure. If we were to enforce a

claim that a third party had illegally obtained and was using our trade secrets, our enforcement efforts would be expensive and time-consuming, and the outcome would be unpredictable. In addition, if our competitors independently develop information that is equivalent to our trade secrets, it will be more difficult for us to enforce our rights and our business could be harmed.

If we are not able to obtain and defend our patents or trade secrets, we will not be able to exclude competitors from developing or marketing competing products using the relevant technologies or processes, thereby adversely affecting our competitiveness.

Litigation to protect our intellectual property rights or defend against third-party allegations of infringement may be costly.

We may encounter future litigation by third parties based on claims that our products or activities infringe the intellectual property rights of others or that we, our employees or consultants have misappropriated the trade secrets of others. We may also initiate lawsuits to defend the ownership or inventorship of our inventions. It is difficult to predict how such disputes would be resolved. The defence and prosecution of intellectual property rights are costly and will divert technical and management personnel from their normal responsibilities. We may not prevail in any such litigation or proceedings. An adverse decision with respect to any litigation or proceedings against us, resulting in a finding of non-infringement by others or invalidity of our patents, may result in the sale by competitors of generic substitutes of our products. In addition, a determination that we have infringed on the intellectual property rights of another may require us to do one or more of the following:

- pay monetary damages to settle the results of such adverse determination, which could adversely affect our business, financial condition and results of operations;
- cease selling, incorporating or using any of our products that incorporate the challenged intellectual property, which would adversely affect our turnover or costs, or both;
- obtain a licence from the holder of the infringed intellectual property right, which might be costly or might not be available on reasonable terms, or at all; or
- redesign our products to make them non-infringing, which would be costly and time-consuming, or may not be possible at all.

We currently know of no material actual or threatened claim of infringement. If such a claim is alleged, there can be no assurance that the resolution of the claim would permit us to continue producing the product in question on commercially reasonable terms. In addition, there is a risk that some of our confidential information could be compromised by disclosure during intellectual property litigation. Furthermore, there could be public announcements throughout the course of intellectual property litigation or proceedings as to the results of hearings, motions or other interim proceedings or developments in the litigation. Such public announcements could substantially negatively impact our product image or corporate reputation, thereby affecting the trading price of our Offer Shares.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our employees' former employers.

Certain of our employees and consultants were previously employed at other nutritional supplement manufacturers, biotechnology or pharmaceutical companies, including our competitors or potential competitors, universities or other research institutions. We may be subject to claims that these employees and consultants or we have inadvertently or otherwise used or disclosed trade secrets or

other proprietary information of our employees' former employers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and distract our management's attention. If we fail to defend against such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work products could delay or prevent us from commercialising one or more of our product candidates.

Counterfeit nutritional supplements and pharmaceuticals in the PRC could negatively impact our turnover, brand reputation, business and results of operations.

Our products are subject to competition from counterfeit nutritional supplements and counterfeit pharmaceuticals, which are nutritional supplements and pharmaceuticals manufactured without proper licences or approvals and are fraudulently mislabeled with respect to their content and/or manufacturer. Counterfeiters may illegally manufacture and market nutritional supplements under our brand name or that of our competitors. For example, in August 2008, a counterfeiter sold amino acid-based tablets in Hubei Province under the "Rui Nian" (瑞年) brand without our authorisation. We reported these counterfeit products to the industry and commerce department of Huangshi City, Hubei Province, which took action to remove them from the retail outlets. We did not pursue any legal action against this counterfeiter. Counterfeit nutritional supplements and pharmaceuticals are generally sold at lower prices than the authentic products due to their low production costs, and in some cases are very similar in appearance to the authentic products. Counterfeit nutritional supplements and pharmaceuticals may or may not have the same chemical content as their authentic counterparts. If counterfeit nutritional supplements and pharmaceuticals illegally sold under our brand name result in adverse side effects to end-users, we may be associated with any negative publicity resulting from such incidents. In addition, consumers may buy counterfeit nutritional supplements and pharmaceuticals that are in direct competition with our nutritional supplements and pharmaceuticals, which could have an adverse impact on our turnover, business and results of operations. There is not yet an effective counterfeit enforcement system in the PRC, and the proliferation of counterfeit nutritional supplements and pharmaceuticals in recent years may continue to grow in the future. Any increase in the sale and production of counterfeit nutritional supplements and pharmaceuticals in the PRC could negatively impact our turnover, brand reputation, business and results of operations.

We may not be able to manage our expansion of operations effectively.

We commenced production of general health food products in 1998 and nutritional supplements in 1999, started production of pharmaceuticals in 2009 and have grown rapidly during the Track Record Period. Our turnover increased from RMB196.7 million in 2006 to RMB405.5 million in 2007 to RMB632.4 million in 2008. We plan to expand our business significantly to capture new market opportunities. To manage the potential growth of our operations, we will be required to improve our operational and financial systems, procedures and controls, increase annual production capacity and output, and expand, train and manage our growing employee base. Furthermore, we need to maintain and expand our relationships with our distributors, customers, suppliers, research companies and other third parties. We cannot assure you that our current and planned operations, personnel, systems, internal procedures and controls will be adequate to support our future growth. In addition, the success of our growth strategy depends on a number of external factors, such as the growth of the nutritional supplement market in the PRC and the level of competition from other nutritional supplement companies. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies or respond to competitive pressures.

We may not be able to manage our employees, distributors, affiliates or sales agents effectively, and our reputation, business, prospects and brand may be materially and adversely affected by actions taken by and misconduct of such parties.

We have limited ability to manage the activities of our distributors and sales agents that we contract to promote our products and brand name, most of which are independent from us. Our distributors and sales agents could take one or more of the following actions, any of which could have a material adverse effect on our business, prospects and brand:

- sell or promote our products outside their designated territory;
- fail to adequately promote our products; or
- violate the anti-corruption laws of the PRC, Hong Kong or other countries.

In addition, we may not be able to effectively manage our employees, as the compensation of our sales and marketing personnel is partially linked to their sales performance. As a result, we cannot assure you that our employees will not violate the anti-corruption laws of the PRC, Hong Kong and other countries and regions. If our employees, affiliates or distributors violate anti-corruption laws, we could be required to pay damages or fines, which could materially and adversely affect our financial condition and results of operations.

Failure to adequately manage our employees, distributors or sales agents, or their non-compliance with employment, distribution or marketing agreements could harm our corporate image among end-users of our products and disrupt our sales, resulting in a failure to meet our sales goals. Furthermore, we could be liable for actions taken by our employees, distributors or sales agents, including any violations of applicable law in connection with the marketing or sale of our products.

In addition, PRC laws regarding what types of payments to promote or sell our products are impermissible are not always clear. As a result, we, or our employees, affiliates, distributors or sales agents could make certain payments in connection with the promotion or sale of our products or other activities involving our products which at the time are considered by us or them to be legal but are later deemed impermissible by the PRC government. Our brand and reputation, our sales activities or the price of our Shares could be adversely affected if we become the target of any negative publicity or governmental investigations or claims as a result of actions taken by our employees, affiliates, distributors or sales agents.

We may incur losses resulting from product liability claims or product recalls.

The nature of our business exposes us to the risk of product liability claims that is inherent in the research and development, manufacturing and marketing of nutritional supplement and pharmaceutical products. As a developer and manufacturer of products designed for human consumption, we are subject to product liability claims if the use of our products is alleged to have resulted in injury. Our products could contain contaminated substances that we do not identify during our manufacturing process, and adverse reactions resulting from human consumption of these ingredients could occur. We could also be subject to product liability claims as a result of defective raw materials we purchase from third parties. A substantial claim or a substantial number of claims relating to our products could have a material adverse impact on our business, financial condition and results of operations. Such lawsuits may divert the attention of our management from our business strategies and may be costly to defend. We do not have any product liability insurance and the raw materials that we purchase from third parties are typically sold to us with no warranties as to quality or

suitability for their intended use. We may be exposed to adverse public relations if our products are alleged to cause injury or illness or if we are alleged to have violated governmental regulations. In the event of allegations that any of our products are harmful, we may experience reduced consumer demand for our products or our products may be recalled from the market. A product recall could result in substantial and unexpected expenditures, which would reduce our operating profit and cash flow. In addition, a product recall may require significant management attention. Product recalls may hurt the value of our brand name and lead to decreased demand for our products and may also lead to increased scrutiny by regulatory agencies of our operations. We may also be forced to defend lawsuits and, if unsuccessful, to pay a substantial amount in damages.

We depend on certain third-party suppliers of packaging materials, raw materials and merchandise for resale.

We purchase from third-party suppliers certain packaging materials and raw materials. The principal raw materials required in our operations are amino acid granules, collagen, delayed release (enteric) coatings soy protein, topotecan hydrochloride, ofloxacin, pharmaceutical starch and sodium chloride. Purchases of merchandise for resale, packaging materials and raw materials from our five largest suppliers were RMB23.8 million, RMB44.0 million, RMB183.3 million, and RMB57.2 million, respectively, in 2006, 2007, 2008 and the nine months ended 30 September 2009, which accounted for 67.1%, 87.2%, 74.4% and 57.5%, respectively, of our total supplies during the same periods. We purchase the majority of our packaging materials and raw materials from bulk manufacturers and distributors in the PRC. Our packaging material costs amounted to RMB17.1 million, RMB20.9 million, RMB23.7 million and RMB25.7 million in 2006, 2007, 2008 and the nine months ended 30 September 2009, respectively, representing 46.7%, 49.9%, 42.5% and 45.6%, respectively, of our total cost of production during the same periods. Our raw material costs amounted to RMB10.5 million, RMB11.6 million, RMB22.7 million and RMB19.0 million in 2006, 2007, 2008 and the nine months ended 30 September 2009, respectively, representing 28.8%, 27.8%, 40.8% and 33.8%, respectively, of our cost of production during the same periods. In addition, we depend on Independent Third Parties to manufacture and supply liquid amino acids and the herbal tea we currently sell. We cannot assure you that there will not be any unexpected interruption of their supply or material increases in their prices, for any reason, such as regulatory requirements, import restrictions, loss of certifications, power interruptions, fires or other events, or that our existing suppliers will continue to provide us with ingredients at suitable quality levels. Any disruption to the supply of our packaging materials, raw materials or merchandise for resale could have a material adverse effect on our business, results of operations and financial condition, and we cannot assure you that we would be able to obtain alternative sources on a timely basis or at all.

Our business depends substantially on the continuing efforts of our executive officers and other key personnel, and our business may be severely disrupted if we lose their services.

We depend on key members of our management team and other key personnel. In particular, we depend on Mr. WANG Fucai, chairman of our Board of Directors and general manager, Mr. YU Yan, our Director and deputy general manager, Mr. LI Lin, our Director and deputy general manager, Mr. YI Lin, our Director and deputy general manager and Mr. ZHANG Yan, our Director and deputy general manager. The loss of key employees could delay the advancement of our research and development activities. The implementation of our business strategies and our future success will depend in large part on our continued ability to attract and retain highly qualified scientific, technical and management personnel. We face competition for personnel from other nutritional supplement

companies, pharmaceutical companies, universities, public and private research institutions and other organisations. The process of hiring suitably qualified personnel is often lengthy. If our recruitment and retention efforts are unsuccessful in the future, it may be more difficult for us to execute our business strategies.

We do not maintain key employee insurance. If one or more of our executive officers, research personnel or other key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Therefore, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new officers. In addition, if any of our executive officers or key research personnel joins a competitor or forms a competing company, we may lose some of our customers. The employment contract of each of our executive officers, key research personnel and marketing managers contains a confidentiality and non-competition clause. However, if any disputes arise between our executive officers, key research personnel and marketing managers and us, we cannot assure you, in light of uncertainties associated with the PRC legal system, the extent to which any of these agreements could be enforced in the PRC, where some of our executive officers reside and hold some of their assets. See "— Risks Related to Doing Business in the PRC — Uncertainties with respect to the PRC legal system could have a material adverse effect on us."

We experience seasonality in our sales.

We experience seasonality in our sales, which are the strongest during the third and fourth quarters of the year, the period immediately prior to the holiday seasons when Chinese people purchase our nutritional supplement products as gifts for the Chinese New Year, Mid-Autumn Festival and other holidays. For example, our turnover derived from sales in the third quarter and fourth quarter typically represent more than 50% of our turnover for the year. Our turnover derived from sales in the third quarter represented 23.6%, 28.5% and 19.0% of our turnover in 2006, 2007 and 2008, respectively, while our turnover derived from sales in the fourth quarter represented 39.3%, 36.4% and 7.2% of our turnover in 2006, 2007 and 2008, respectively. Sales of our products in the third quarter and fourth quarter of 2008 were adversely affected by the global financial crisis and economic downturn. See "Financial Information — Factors Affecting Our Results of Operations and Financial Condition — Seasonality." Accordingly, our results of operations for a particular year may be significantly impacted by our results of operations for the third quarter and fourth quarter of the year. Factors that could cause our results of operations for the third quarter and fourth quarter to fluctuate include, among others:

- the level, cost and timing of our major advertising campaigns;
- regulatory events;
- new product introduced by us or our competitors; and
- the general economic environment.

Any of the foregoing factors could cause us to fail to meet the expectations of securities analysts or investors, which could cause the trading price of our Shares to decline.

Our entry into international markets may expose us to certain risks.

We may experience difficulty entering new international markets in the future, such as Hong Kong, due to greater regulatory barriers, the necessity of adapting to new regulatory systems and problems related to entering new markets with different cultural bases and political systems. These international operations expose us to certain risks, including, among other things:

- changes in or interpretations of foreign regulations that may limit our ability to sell certain products or repatriate profits to the PRC;
- exposure to currency fluctuations;
- potential imposition of trade or foreign exchange restrictions or increased tariffs; and
- difficulty in collecting international accounts receivable.

As we plan to expand our international operations, we will encounter these and other risks associated with international operations. See "Business — Our Strategies."

If we fail to maintain effective internal controls, we may not be able to accurately report our financial results or prevent fraud, and our business, financial results and reputation could be materially and adversely affected.

We will become a public company upon completion of the Global Offering, and our internal control system will be essential to the integrity of our business and financial results. Our public reporting obligations are expected to place a strain on our management, operational and financial resources and systems in the foreseeable future. In preparation for the Global Offering, we have implemented measures to enhance our internal controls, and plan to take steps to further improve our internal controls. If we encounter difficulties in improving our internal controls and management information systems, we may incur additional costs and management time in meeting our improvement goals. We cannot assure you that the measures taken to improve our internal controls will be effective. If we fail to maintain effective internal controls in the future, our business, reputation, financial condition and results of operations may be materially and adversely affected.

If we grant additional employee share options, restricted shares or other share-based compensation in the future, our profit could be adversely affected.

We have adopted the Pre-IPO Share Option Scheme under which we had granted options to subscribe for 20,000,000 Shares as of the Latest Practicable Date, representing approximately 1.96% of our issued share capital as of the Listing Date as enlarged by the issue of additional Shares upon exercise of all options granted by us under the Pre-IPO Share Option (but assuming the Over-allotment Option is not exercised). Assuming that all options granted by us under the Pre-IPO Share Option Scheme were exercised in full on the Listing Date (but assuming the Over-allotment Option is not exercised), the shareholding interest of the public in our issued share capital as of the Listing Date would be decreased from approximately 58.12% to approximately 56.98%. Assuming we have had the number of Shares expected to be in issue following the Global Offering (assuming the Over-allotment Option is not exercised), namely 1,000,000,000 Shares, as of 30 September 2009, our earnings per Share for the nine months ended 30 September 2009 would have been reduced from RMB17.6 cents to RMB13.2 cents, and then further down to RMB13.0 cents if all options granted under the Pre-IPO Share Option Scheme are also assumed to have been exercised in full as of 30 September 2009. We

have also adopted the Share Option Scheme pursuant to which options to subscribe for 80,000,000 Shares (assuming the Over-allotment Option is not exercised) may be granted after the Listing Date, subject to the provisions of the Share Option Scheme and the Listing Rules permitting grant of options to subscribe for Shares in excess of 80,000,000 Shares.

Also, pursuant to HKFRS, the costs of the options granted under the Pre-IPO Share Option Scheme and the options to be granted under the Share Option Scheme will be charged to our statements of comprehensive income over the vesting period by reference to the fair value at the date when the options are granted. As a result, our Company's profitability may be adversely affected.

Our existing Shareholders have substantial influence over our Company, and their interests may not be aligned with the interests of our other Shareholders.

Immediately following the completion of the Global Offering, but assuming the Over-allotment Option and options granted under the Pre-IPO Share Option Scheme are not exercised, our three significant Shareholders, Mr. WANG Fucai, Turrence and Tetrad, will beneficially hold 39.95%, 9.32% and 6.86%, respectively, of our share capital. As such, they have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our Shares.

A significant natural or other disaster involving our manufacturing facility could harm or disrupt our operations.

We depend on the continued operation of our manufacturing facilities at their current levels. Any significant damage or destruction of our manufacturing facilities as a result of a natural or other disaster would disrupt our operations. In May 2008, Sichuan Province in the PRC suffered a strong earthquake measuring approximately 8.0 on the Richter scale that caused widespread damage and casualties. This earthquake had a material adverse effect on the general economic conditions in the areas affected by the earthquake. We do not have any production or operations in Sichuan Province. Turnover derived from sales in Sichuan Province represented nil, less than 0.1%, less than 5.8% and less than 2.0% of our total turnover in 2006, 2007, 2008 and the nine months ended 30 September 2009, respectively. Any future natural disasters, terrorist attacks or other disruptive events in the PRC could have a material adverse effect on our business, financial condition or results of operations. In addition, business interruption insurance available in the PRC offers more limited coverage compared to that offered in many other countries. We do not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

If our information technology system fails, our operations could suffer.

Our business depends to a large extent on our information technology infrastructure to effectively manage and operate many of our key business functions, including order processing, customer service, product manufacturing and distribution, cash receipts and payments and financial reporting. A long-term failure or impairment of any of our information technology systems could adversely affect our ability to conduct day-to-day business.

Risks Related to Our Distribution Network

We depend on distributors for all of our turnover, and failure to maintain relationships with our distributors or otherwise expand our distribution network would materially and adversely affect our business.

We sell our products exclusively to distributors in the PRC, all of which are independent from us. We used to engage Hubei Kaidi, a related-party controlled by a family member of our chairman and chief executive officer, as one of our distributors. Upon the expiration of our distribution agreement with Hubei Kaidi in December 2009, we have ceased our business relationship with Hubei Kaidi. Total turnover from this distributor in 2006, 2007, 2008 and the nine months ended 30 September 2009 were RMB5.0 million, RMB29.7 million, RMB25.0 million and RMB11.3 million, respectively, accounting for 2.5%, 7.3%, 4.0% and 2.1%, respectively, of our turnover during the same periods. Turnover from our largest distributor accounted for 18.1%, 10.9%, 11.0% and 13.0% of our turnover in 2006, 2007, 2008 and the nine months ended 30 September 2009, respectively. In 2006, 2007, 2008 and the nine months ended 30 September 2009, turnover from our five largest distributors accounted for 46.8%, 48.0%, 43.1% and 44.6% of our turnover, respectively. The length of our business relationships with the five largest distributors in 2006, 2007, 2008 and the nine months ended 30 September 2009 ranged from one to seven years. For example, our five largest distributors in the nine months ended 30 September 2009 are all Independent Third Parties and have had business relationships with us for at least three years. In line with industry practices in the PRC, we typically enter into written distribution agreements with our distributors for a one-year term that is generally renewable annually. As our existing distribution agreements expire, we may be unable to renew them with distributors we prefer to engage on favourable terms or at all.

We also cannot assure you that any distributor will continue to purchase our products in the same quantity as in prior years, which in turn will largely depend on whether third party retail outlets, such as supermarkets, convenience stores and retail pharmacies, will continue to stock and sell our products and ultimately whether consumers will purchase our products.

In addition, some of our distributors may sell products that compete with our products, and as a result, we compete for competent distributors with other nutritional supplement manufacturers and pharmaceutical companies, some of which may have higher visibility, greater name recognition and financial resources and broader product offerings than we do. Consequently, maintaining relationships with existing distributors and replacing distributors may be difficult and time-consuming. For our export sales of nutritional supplement products, in addition to selling our products to distributors, we will rely on them to market our products to end-users in overseas markets. As we deepen our penetration in different geographic areas within China and expand into new product areas, we also plan to rely to a certain extent on distributors in China to market our products and influence end-user purchase decisions. See "Business — Our Products" and "Business — Marketing and Distribution." Our ability to expand our distribution network through retaining existing and engaging new distributors is essential to our growth strategy, and our future success is dependent on the growth of our distributors and their networks. Our failure to expand our distribution network could negatively affect our ability to effectively sell our products, which would materially and adversely affect our business, financial condition and results of operations.

Our ability to accurately track the inventory levels of our distributors and retail outlets is limited, which may cause us to predict sales trends incorrectly.

We do not have a regular and comprehensive system to track the sales of our products by our distributors to retail outlets, the sales by retail outlets to end-users, or their respective inventory levels. Our ability to track such sales and inventory levels mainly relies on our on-site visits and regular communication with our distributors to evaluate sales to consumers. We do not have a policy to require our distributors to provide us with their inventory reports on a regular basis, and our distributors generally do not provide us with such reports. We have minimal contact with end-users (other than at promotional campaigns), and our sales to distributors may not be reflective of actual sales trends to end-users.

Because of our limited ability to regularly track the inventory levels of our distributors or the retail outlets, we may be unable to gather sufficient information and data regarding the market acceptance of our products and consumers' preferences in relation to our products. The tracking of inventory levels also would provide useful information as to the market acceptance of our products in a particular region so that we could realign our marketing strategy if needed. The failure to accurately track sales and inventory levels of our distributors and retail outlets may cause us to incorrectly predict sales trends and implement unsuccessful marketing or product strategies.

If we fail to adequately anticipate sales trends for our products, we may be required to write down the value of our inventory, which could adversely affect our results of operations. Our products are tested for stability, and each product has an associated expiration date after which the product cannot be sold. As sales trends change, we may over-produce finished goods inventory or have excess raw materials that we cannot use before their expiration dates. We did not have any inventory write-downs during the Track Record Period. When sales trends change too rapidly or when manufacturing planning does not estimate future demand accurately, we are required to write off or write down inventory, which will adversely affect our results of operations during the period in which the write-downs of inventory occur.

We do not control our distributors and retail outlets.

We do not own or operate any distributors or retail outlets and rely solely on our distributors and retail outlets to distribute and sell our products. We do not have any direct control over or any direct contractual relationships with such retail outlets, and we are unable to ensure their adherence to our retail policies, which include, among other operational requirements, pricing policies and restrictions on the regions in which our products may be sold. In particular, in relation to our nutritional supplements and general health food products, which represent a substantial part of our turnover, while our agreements with distributors set forth our pricing policy, we are not able to enforce compliance with this pricing policy by the retail outlets. There is no assurance that our distributors or retail outlets will not significantly discount the selling prices of our products to consumers to reduce inventory levels or for any other reasons. If any of our distributors and third-party retailers deviates from our pricing policy, our brand reputation and consumers' perception of our products could be tarnished, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Our Pharmaceutical Business

Nanjing Ruinian has not commenced large-scale production, and it may not achieve its expected results of operations.

We acquired a 100% equity interest in Nanjing Ruinian in July 2009, which is an early-stage pharmaceutical company that has obtained relevant regulatory approvals for manufacturing two eye drops and one anti-cancer medicine. Nanjing Ruinian has not commenced large-scale production. Once we commence large-scale production at Nanjing Ruinian, we may experience unforeseen difficulties, including limited management and production resources for pursuing our development goals, and we may have to invest additional capital and human resources into Nanjing Ruinian in order to maintain and develop the business. If we cannot successfully resolve unforeseen difficulties or adjust our strategies in a timely manner, the business of Nanjing Ruinian may not be as successful as we expect. We may incur losses due to our investment in Nanjing Ruinian and our business, financial condition, results of operations and prospects may be materially and adversely affected.

We will not be able to commercialise our pharmaceutical product candidates if our preclinical studies do not produce successful results or our clinical trials do not demonstrate safety and efficacy in humans.

Before initiating the manufacture and sale of our pharmaceutical product candidates, we often have to conduct, at our own expense, extensive preclinical tests and clinical trials to examine the safety and efficacy in humans of our product candidates or hire a third-party institution to conduct the preclinical tests and clinical trials. Preclinical and clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and interim results of a clinical trial do not necessarily predict final results. A failure of one or more of our clinical trials can occur at any stage of testing. We may experience unforeseen events during, or as a result of, preclinical tests and clinical trial process that could delay or prevent us from receiving regulatory approval or commercialising our product candidates, including:

- the preclinical tests or clinical trials of our pharmaceutical product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional preclinical testing or clinical trials, or we may abandon projects that appear promising;
- we might have to suspend or terminate our clinical trials if the participating patients are being exposed to unacceptable health risks;
- regulators may require that we hold, suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or safety concerns;
- the time or cost of our clinical trials may be greater than we currently anticipate;
- any regulatory approval we obtain may be limited or subject to restrictions or post-approval commitments that render the product not commercially viable; and
- our product candidates may produce undesirable side effects or may have other unexpected characteristics.

If we are required to conduct additional clinical trials or other testing of our pharmaceutical product candidates beyond those that we currently contemplate, or if we are unable to successfully

complete our clinical trials or other testing or if the results of these trials or tests are not positive or are only marginally positive, we may:

- be delayed in obtaining approval for our pharmaceutical product candidates; and
- not be able to obtain approval, or obtain approval for indications that are not as broad as desired.

The development costs for our pharmaceutical products will also increase if we experience delays in testing or approvals. We do not know whether planned clinical trials will begin as planned, will need to be restructured or will be completed on schedule, if at all. Significant clinical trial delays also could allow our competitors to bring pharmaceutical products to market before we do and impair our ability to commercialise our pharmaceutical product candidates.

There is no assurance that our pharmaceutical products, pharmaceutical product candidates or new products that we develop or acquire will be or continue to be included in the Medical Insurance Catalogues.

Eligible participants in the National Basic Medical Insurance Programme (國家基本醫療保險體系) in China, which consists of mostly urban residents, are entitled to reimbursement from the social medical insurance fund for up to the entire cost of consumed medicines that are included in the Medical Insurance Catalogues. As of the date of this prospectus, two of the pharmaceuticals that we manufacture, namely ofloxacin eye drops and ciprofloxacin hydrochloride eye drops, have been included in the Medical Insurance Catalogues. We plan to apply to the Ministry of Human Resources and Social Security of the PRC, or the Ministry of Human Resources, and other government authorities to include topotecan hydrochloride capsules into the Medical Insurance Catalogues. The inclusion of a medicine in the Medical Insurance Catalogues can substantially improve the sales of such medicine, as the patients using such medicine may be reimbursed for up to 100% of their costs for purchasing the medicine. The Ministry of Human Resources, together with other government authorities from time to time, selects medicines to be included in the Medical Insurance Catalogues based on factors including treatment requirements, frequency of use, effectiveness and price. The Ministry of Human Resources also occasionally removes medicines from such catalogues. There can be no assurance that topotecan hydrochloride capsules will be included in the Medical Insurance Catalogues or that ofloxacin eye drops and ciprofloxacin hydrochloride eye drops may not be removed from the Medical Insurance Catalogues in the future. The exclusion or future removal of any of the products we manufacture from the Medical Insurance Catalogues may adversely affect our sales. In addition, there is significant uncertainty related to the coverage and reimbursement of pharmaceutical products newly included in the Medical Insurance Catalogues. Our failure to obtain or maintain inclusion of our pharmaceutical products in the Medical Insurance Catalogues may adversely affect our results of operations and prospects.

We may not be successful in competing with other manufacturers of pharmaceuticals in the tender processes for the selection of qualified medicines by provincial medical administrations or for the purchase of medicines by state-owned and state-controlled hospitals.

We plan to target our marketing efforts of promoting pharmaceutical products to hospitals owned and controlled by counties or higher level government authorities in China. However, in order for a state-owned or a state-controlled hospital to purchase our pharmaceutical products, our pharmaceuticals must be first selected by the provincial medical administration in charge of that

hospital to be included in the administration's approved list of medicines. The selection of qualified medicines for the approved list of medicines by the medical administration of each province, municipality or autonomous region is made through a collective tender process. During the collective tender process, the provincial medical administrations will assess the bids submitted by various pharmaceutical manufacturers, taking into consideration, among other factors, the quality and price of the medicines and the service and reputation of the manufacturers. The provincial medical administrations usually select different brands for the same type of pharmaceutical. Only pharmaceuticals that have been included in the list of medicines approved by a provincial medical administration may be purchased by hospitals in the region administered by such provincial medical administration. The collective tender process is conducted at least annually, and pharmaceuticals that have previously won tenders must participate and win tenders in the collective tender processes in the subsequent periods in order to continue to be included in the approved list of medicines.

Winning the selective tender process organised by provincial medical administrations does not guarantee the sales of a medicine. In order to sell a medicine to the state-owned or state-controlled hospitals, a pharmaceutical manufacturer will often also need to win the selective tender process organised by the various hospitals. The hospitals are required by law to implement collective tender processes for the purchase of medicines listed in the Medical Insurance Catalogues and medicines that are consumed in large volumes and commonly prescribed for clinical uses. During a collective tender process, the hospitals will establish a committee consisting of recognised pharmaceutical experts. The committee will assess the bids submitted by the pharmaceutical manufacturers, taking into consideration the same factors as those considered by the provincial medical administrations, such as quality and price of candidate medicines. The committee usually selects different brands for the same type of pharmaceutical. Only pharmaceuticals that have won in the collective tender processes may be purchased by these hospitals. The collective tender process for pharmaceuticals with the same chemical composition must be conducted at least annually, and pharmaceuticals that have previously won tenders must participate and win tenders in the collective tender processes in the following period before new purchase orders can be issued.

If we cannot succeed in the collective tender processes in which we decide to participate, we may not be able to receive enough purchase orders for our pharmaceutical products to commence large-scale production at Nanjing Ruinian and may not achieve our goals of turnover or profitability for our pharmaceutical segment.

All of our pharmaceutical products are branded generics that can be manufactured and sold by other pharmaceutical manufacturers in China once the relevant protection or monitoring periods, if any, elapse.

All of our pharmaceutical products are generic pharmaceuticals and are not protected by patents. As a result, other pharmaceutical companies may sell equivalent products at a lower cost, and this might result in a commensurate loss in sales of our pharmaceutical products. Our topotecan hydrochloride capsules are subject to a monitoring period which will expire on 30 August 2011. During such period, the SFDA will not accept applications for new medicine certificates for the same product by other pharmaceutical companies or approve the production or import of the same product by other pharmaceutical companies. Once such monitoring period expires, other manufacturers may obtain relevant production approvals and will be entitled to sell generic pharmaceutical products with similar formulae or production methods in China. The maximum monitoring period currently granted by the SFDA is five years. If other pharmaceutical companies sell pharmaceutical products that are

similar to our unprotected pharmaceutical products or our protected pharmaceutical product for which the relevant monitoring period has expired, we may face additional competition, and our profitability and prospects may be adversely affected.

Our production of pharmaceuticals involves and may in the future involve the controlled use of potentially harmful materials as well as hazardous materials and chemicals.

Our production of pharmaceuticals involves the controlled use of topotecan hydrochloride, which may cause a decrease in the number of white blood cells. We cannot completely eliminate the risk of accidental contamination or injury from the use, storage, handling or disposal of this material. In the event of contamination or injury, we could be held liable for damages caused by us, which could exceed our resources. We are subject to national, provincial and local laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. We believe we are currently in compliance with these laws and regulations. However, any failure by us to control the use, storage, handling and disposal of these hazardous materials and chemicals could subject us to potentially significant monetary damages and fines or suspensions of our business operations. In addition, we do not currently carry any insurance for potential liabilities relating to the release of hazardous materials as such insurance is not currently available in China.

The retail prices of certain of our pharmaceutical products are and will be subject to price controls, including periodic downward adjustment, by PRC government authorities.

Two of the pharmaceutical products that we manufacture, namely ofloxacin eye drops and ciprofloxacin hydrochloride eye drops are included in the Medical Insurance Catalogues, and are subject to price controls in the form of retail price ceilings, which vary from province to province. We will apply with the relevant governmental authorities to include topotecan hydrochloride capsules in the Medical Insurance Catalogues, and it will be subject to similar price controls if our application is approved. The maximum retail prices of products that are included in the Medical Insurance Catalogues are also subject to periodic downward adjustments as the PRC government authorities aim to make pharmaceuticals more affordable to the general public. Since May 1998, the relevant PRC government authorities have ordered price reductions of various pharmaceuticals 25 times. The latest price reductions occurred in October 2009 and affected approximately 45% of the pharmaceuticals in the PRC. The prices at which pharmaceutical manufacturers sell their products to distributors will be affected by the relevant fixed retail prices or retail price ceilings. We may be ordered to lower the prices of our pharmaceutical products included in the Medical Insurance Catalogues due to government price controls, especially downward price adjustments. This may have a material adverse effect on our turnover and profitability.

Risks Related to Our Industry

Unfavourable publicity or consumer perception of our products and any similar products distributed by other companies could have a material adverse effect on our business.

We believe both the nutritional supplement market and the pharmaceutical market are highly dependent upon consumer perception regarding the safety, efficacy, level of side effects and quality of nutritional supplements and pharmaceuticals generally. Consumer perception of our products can be significantly influenced by scientific research or findings, national media attention and other publicity regarding nutritional supplements and pharmaceuticals. There can be no assurance that future scientific research, findings or publicity will be favourable to any particular product, or consistent with earlier

favourable research, findings or publicity. Future research reports, findings or publicity that are perceived as less favourable or that question such earlier research reports, findings or publicity could have a material adverse effect on the demand for our products and on our business, results of operations, financial condition and cash flows. Scientific research reports, findings or publicity, whether or not accurate, may associate illness or other adverse effects with the consumption of nutritional supplements and pharmaceuticals in general, our products or any similar products distributed by other companies, question the safety, efficacy or benefits of our or similar products, or claim that any such products are unsafe or ineffective. Such adverse publicity could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. Any such reports, findings or publicity would have a material adverse effect on us, the demand for our products, and our business, results of operations, financial condition and cash flows.

The nutritional supplement industry is heavily regulated.

The manufacture of nutritional supplements in the PRC is subject to various approvals. All nutritional supplements must be approved by the SFDA. SFDA approvals granted before 1 July 2005 do not specify an expiry date and an SFDA approval obtained after 1 July 2005 will be valid for five years and must be renewed at least three months before its expiration. SFDA approvals for our Ruinian-branded amino acid-based tablets, Linger-branded amino acid-based tablets, Ruinian-branded royal jelly tablets, Ruinian-branded osteoid sachet powder and Ruinian-branded blood lipid capsules were initially granted prior to 1 July 2005 and do not specify an expiry date. It is uncertain when such approvals will expire or when the SFDA will deem such approvals to have expired. There is no assurance that the SFDA will not subsequently find such approvals to have expired and, in such event that we will be able to renew them in a timely manner or at all.

In addition, the processing, formulation, manufacturing, packaging, labelling, advertising, distribution and sale of our products are subject to regulation by several PRC agencies, including the SFDA, the Ministry of Health and the State Administration for Industry and Commerce and their respective local agencies. Government regulations may prevent or delay the introduction or require the reformulation of our products. Some agencies, such as the SFDA could require us to remove a particular product from the market, delay or prevent the import of raw materials for the manufacture of our products, or otherwise disrupt the marketing of our products. Any such government actions would result in additional costs to us, including lost turnover from any additional products that we are required to remove from the market, any of which could be material. Any such government actions could also lead to liability, substantial costs and reduced growth prospects.

Additional or more stringent regulations of nutritional supplements and other products have been and may be adopted from time to time in the PRC. Such developments could require reformulation of certain products to meet new standards, recalls or discontinuance of certain products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of certain products, additional or different labelling, additional scientific substantiation, adverse event reporting or other new requirements. Any such developments could increase our costs significantly.

The pharmaceutical industry in China is highly regulated, and future government regulation may place additional burdens on our business.

The pharmaceutical industry in China is subject to extensive government regulation and supervision. The regulatory framework addresses all aspects of operating in the pharmaceutical industry, including approval, production, distribution, licensing and certification requirements and procedures, periodic renewal and reassessment processes, registration of new drugs and environmental protection. Violation of applicable laws and regulations may materially adversely affect our business. In order to manufacture pharmaceutical products in China, we are required to obtain a pharmaceutical manufacturing permit and a GMP certificate for each production line from the relevant food and drug administrative authority. We are required to obtain the drug registration certificate, which includes a drug approval number, from the SFDA for each drug manufactured by us. We are required to renew the pharmaceutical manufacturing permits, drug registration certificates and GMP certificates every five years. If we are unable to obtain or renew such permits or any other permits or licences required for our operation, we will not be able to engage in the manufacture and distribution of our products, and our business may be adversely affected.

The regulatory framework regarding the pharmaceutical industry in China is subject to change and amendment from time to time. Any such change or amendment may have an adverse effect on our business. Changes to the regulatory framework could materially and adversely impact our business, financial condition and results of operations. The PRC government has released a number of announcements since April 2009 that collectively outline a comprehensive plan to reform the healthcare system in China within the next few years, with an overall objective to expand the basic medical insurance coverage and improve the quality and reliability of healthcare services. The details of the reform have yet to be announced and the specific regulatory changes under the reform remain uncertain. The implementing measures to be issued may not be sufficiently effective to achieve the stated goals, and as a result, we may not be able to benefit from such reform to the level we expect, if at all. Moreover, the reform could give rise to regulatory developments, such as tighter control over product pricing or more burdensome administrative procedures, which may have an adverse effect on our business and prospects.

For further information regarding government regulation in China, see "Regulation."

We face intense competition that may prevent us from maintaining or increasing market share for our existing products and gaining market acceptance for our future products. Our competitors may develop or commercialise products more rapidly or more successfully than us.

Both the nutritional supplement market and the pharmaceutical market in the PRC are intensely competitive, rapidly evolving and highly fragmented. Our competitors may develop products that are superior to ours or may be more effective in marketing products that are competitive with ours. We face competition from other manufacturers of nutritional supplements, general health food products, herbal tea and pharmaceutical products, including multinational companies as well as manufacturers of traditional Chinese medicines with similar nutritional or medical benefits that can be used as substitutes for certain of our products. We are not aware of any studies that compare the relative advantages or disadvantages of our products against other comparable products. Research supporting competitors' claims in the nutritional supplement market and the pharmaceutical market is not subject to mandatory review by any government agency. Therefore, new products can be brought to market rapidly and with little advance notice. Competitive products supported by new research may be introduced to the market before we are able to respond with new product development or

countervailing research. If newly introduced products are perceived to be superior to our products, sales of our products could decline and our business and results of operations could be harmed as a result. See "Business — Competition."

Certain of our existing and potential competitors may have greater financial, technical, manufacturing and other resources than we do. Furthermore, the PRC's industry reforms aimed to meet the WTO requirements may foster increased competition from multinational companies engaged in the production, manufacture, supply and sale of nutritional supplements, general health food products, herbal tea and pharmaceuticals. Such competitors may also have greater brand name recognition, more established distribution networks, larger customer bases or more extensive knowledge of our target markets. Our competitors' greater size in some cases provides them with a competitive advantage with respect to manufacturing costs because of their economies of scale and their ability to purchase raw materials at lower prices. As a result, they may be able to devote greater resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can.

Certain of our competitors may adopt low-margin sales strategies and compete against us based on lower prices. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors may materially and adversely affect our financial condition and results of operations.

In addition, in order to increase sales, certain manufacturers or distributors of nutritional supplements may engage in questionable practices in order to influence procurement decisions of our customers. As a result, as competition intensifies in the nutritional supplement industry in the PRC, we may lose sales, customers or contracts to competitors that engage in these practices.

We are subject to environmental regulations and may be exposed to liability and potential costs for environmental compliance.

We are subject to the PRC laws and regulations concerning the discharge of waste water and solid waste during our manufacturing processes. We are required to obtain certain clearances and authorisations from government authorities for the treatment and disposal of such discharge. Any violation of these regulations may result in substantial fines, criminal sanctions, revocation of operating permits, shutdown of our facilities and obligation to take corrective measures. Our cost of complying with current and future environmental protection laws and regulations, and liabilities which may potentially arise from the discharge of waste water and solid waste, may materially adversely affect our business, financial condition and results of operations.

The government may take steps towards the adoption of more stringent environmental regulations, and there is no assurance that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, we may need to incur substantial capital expenditures to install, replace, upgrade or supplement our pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment in order to comply with new environmental protection laws and regulations. If such costs become prohibitively expensive, we may be forced to modify, curtail or cease certain of our business operations.

Rapid changes in the pharmaceutical industry may render our products obsolete.

The pharmaceutical industry is characterised by rapid changes in technology, constant enhancement of industrial know-how and frequent emergence of new products. Future technological improvements and continual product developments in the pharmaceutical industry may render our existing pharmaceutical products obsolete or affect our viability and competitiveness. Therefore, our future success will largely depend on our ability to:

- improve our existing pharmaceutical products;
- diversify our pharmaceutical product portfolio; and
- develop new and competitively priced pharmaceutical products which meet the requirements of the constantly changing market.

If we fail to respond to this environment by improving our existing pharmaceutical products or developing new products in a timely fashion, or if our future pharmaceutical products do not achieve adequate market acceptance, our business and profitability may be materially and adversely affected.

Risks Related to Doing Business in the PRC

Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of the PRC, which could reduce the demand for our products and materially and adversely affect our competitive position.

Substantially all of our business operations are conducted in the PRC, and substantially all of our turnover is made in the PRC. Accordingly, our business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including:

- the degree of government involvement;
- the level of development;
- the growth rate;
- the control of foreign exchange;
- access to financing; and
- the allocation of resources.

While the PRC economy has grown significantly in the past 30 years, the growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. A substantial portion of the productive assets in the PRC is still owned by the PRC government. The continued control of these assets and other aspects of the national economy by the PRC government could materially and adversely affect our business. The PRC government also exercises significant control over the PRC's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and

providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has implemented a number of measures, such as raising bank reserves against deposit rates to place additional limitations on the ability of commercial banks to make loans and raise interest rates, in order to decrease the growth rate of specific segments of the PRC's economy which it believed to be overheating. These actions, as well as future actions and policies of the PRC government, could materially affect our liquidity and access to capital and our ability to operate our business.

Uncertainties with respect to the PRC legal system could have a material adverse effect on us.

We conduct substantially all of our business through our operating subsidiaries in the PRC, Ruinian Industry, a wholly foreign-invested enterprise in the PRC, and Nanjing Ruinian, a foreign-invested equity joint venture between Ruinian Industry and Jet Bright. Ruinian Industry and Nanjing Ruinian are generally subject to laws and regulations applicable to foreign investment in the PRC and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is based on written statutes, and prior court decisions may be cited for reference but have limited precedential value. Since 1979, a series of new PRC laws and regulations have significantly enhanced the protections afforded to various forms of foreign investments in the PRC. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform, and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to you and us. In addition, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into with our business partners and suppliers. Such uncertainties, including the inability to enforce our contracts, could materially and adversely affect our business and operations. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management attention.

We rely on dividends and other distributions on equity paid by our operating subsidiaries for our cash needs, and any limitation on the ability of our operating subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business.

We are a holding company and conduct substantially all of our business through our operating subsidiaries, Ruinian Industry and Nanjing Ruinian. We rely on dividends paid by Ruinian Industry and Nanjing Ruinian for our cash needs, including the funds necessary to pay dividends and other cash distributions to our Shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities organised in the PRC is subject to limitations. In particular, regulations in the PRC currently permit payment of dividends by Ruinian Industry and Nanjing Ruinian to us only out of accumulated profits as determined in accordance with PRC accounting standards and regulations. Ruinian Industry and Nanjing Ruinian are also required to set aside at least 10% of their after-tax profit based on PRC accounting standards each year to their statutory common reserves until the cumulative amount of such reserves reaches 50% of their registered capital. These reserves are not distributable as cash dividends. In addition, Ruinian Industry and Nanjing Ruinian are required to allocate a portion of their after-tax profit to their enterprise expansion fund and the staff welfare and bonus fund at the discretion of their board of directors. Moreover, if Ruinian Industry or Nanjing Ruinian incurs debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Any limitations on the ability of

Ruinian Industry or Nanjing Ruinian to pay dividends or other distributions to us could have a material adverse effect on our ability to grow, make investments or acquisitions, pay dividends to you, and otherwise fund or conduct our business.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds we receive from the Global Offering to make loans or additional capital contributions to our PRC operating subsidiaries and any affiliated entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

In utilising the net proceeds we receive from the Global Offering in the manner described in "Future Plans and Use of Proceeds from the Global Offering," as an offshore holding company of our PRC operating subsidiaries, we may make loans to our PRC subsidiaries, make additional capital contributions to our PRC subsidiaries or establish a new subsidiary in the PRC. Any such arrangements are subject to PRC regulations and registration. For example, loans by us to our wholly owned operating subsidiaries in the PRC, Ruinian Industry and Nanjing Ruinian, to finance their activities cannot exceed statutory limits and must be registered with the SAFE, or its local counterpart. We may also decide to finance our existing operating subsidiaries by means of capital contributions or to expand our business through establishing a new subsidiary in the PRC. These capital contributions or the establishment of the new subsidiary must be approved by the Ministry of Commerce of the PRC (中華人民共和國商務部), or the MOC, or its local counterpart. As of the Latest Practicable Date, we had not yet initiated the regulatory approval process to remit our net proceeds into the PRC. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our subsidiaries. If we fail to receive such registrations or approvals, our ability to use the proceeds we receive from the Global Offering and to capitalise our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

The discontinuation of the preferential tax treatment currently available to our PRC subsidiaries could materially and adversely affect our results of operations.

Our operating subsidiaries, Ruinian Industry and Nanjing Ruinian, were subject to the PRC Enterprise Income Tax Law Concerning Foreign-Invested Enterprises and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得税法) prior to 1 January 2008. Under this law and its related regulations, a foreign-invested enterprise operating in an economic and technological development zone was subject to enterprise income tax at a statutory rate of 24%. In addition, certain foreign-invested enterprises were entitled to an exemption from enterprise income tax for a period of two years starting from the first profit-making year, followed by a reduction of enterprise income tax by 50.0% for a period of three years. Ruinian Industry obtained approval from the relevant PRC tax authorities to enjoy preferential tax treatment in accordance with such laws and regulations. As a result, the applicable tax rate for Ruinian Industry was 12.0%, 12.0%, and 12.5% for the years ended 31 December 2006, 2007 and 2008, respectively.

On 16 March 2007, the PRC National People's Congress enacted the EIT Law, and on 6 December 2007, the PRC State Council issued the Regulations on the Implementation of the Enterprise Income Tax Law (企業所得税法實施條例), or the EIT Implementation Regulations, both of which became effective on 1 January 2008. The EIT Law imposes a uniform tax rate of 25.0% on all PRC enterprises, including foreign-invested enterprises, and eliminates or modifies most of the tax exemptions, reductions and preferential treatments available under previous tax laws and regulations.

Under the EIT Law, enterprises that were established before 16 March 2007 and already enjoy preferential tax treatments shall, in accordance with any detailed directives to be issued by the State Council, (i) in the case of preferential tax rates, continue to enjoy the preferential tax rates which will be gradually increased to the new tax rates within five years from 1 January 2008 or (ii) in the case of preferential tax exemption or reduction for a specified term, continue to enjoy the preferential tax holiday until the expiration of such term; for those enterprises whose preferential tax treatment had not commenced before 1 January 2008 due to lack of profit, such preferential tax treatment commenced on 1 January 2008. Ruinian Industry enjoyed a 50.0% reduction in enterprise income tax until such preferential treatment expired on 31 December 2008. Starting from January 2009, the enterprise income tax rate applicable to Ruinian Industry was 25.0%, which is the normal enterprise income tax rate for all PRC enterprises. The state taxation authority has confirmed that Nanjing Ruinian is entitled to an exemption from enterprise income tax for a period of two years starting from 1 January 2008, and an enterprise income tax rate of 12.5% for a period of three years starting from 1 January 2010.

Since 1 January 2009, our effective tax rate has significantly increased and materially and adversely affected our profitability. Any increase in our effective tax rate as a result of the above may adversely affect our operating results.

We may be deemed a PRC resident enterprise under the EIT Law and be subject to PRC taxation on our worldwide income. Dividends payable by us to our foreign investors and gains on the sale of our Shares may also be subject to PRC withholding taxes, which may materially and adversely affect your investment in our Shares.

Under the EIT Law which came into effect on 1 January 2008, if an enterprise incorporated outside the PRC has its "actual management" located within the PRC, such enterprise may be recognised as a PRC tax resident enterprise and be subject to the unified enterprise income tax rate of 25% on its worldwide income. According to the EIT Implementation Regulations and relevant official circulars, "actual management" is defined as an organisation that exercises material and full management and control over the enterprise's production, operation, personnel, finance and assets. Since most of our management is currently located in the PRC, we may be subject to PRC income tax at the rate of 25% on our worldwide income, and our financial condition and results of operation may be materially and adversely affected. In addition, if we are treated as a PRC tax resident enterprise by the PRC taxation authorities in the future, dividends on our Shares and capital gains realised by foreign shareholders on the sale of our Shares may be deemed as income from "sources within the PRC" and may be subject to a 10% withholding tax. If foreign shareholders are required to pay PRC taxes on dividends or capital gains, the value of the investment in our Shares may be materially and adversely affected.

Fluctuation in the value of the Renminbi may have a material adverse effect on your investment.

The change in value of the Renminbi against the U.S. dollar, Euro and other currencies is affected by, among other things, changes in the PRC's political and economic conditions. On 21 July 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of foreign currencies. This change in policy has resulted in an approximately 18.8% appreciation of the Renminbi against the U.S. dollar between 21 July 2005 and the Latest Practicable Date.

There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollar. As we rely on dividends paid to us by our operating subsidiaries in the PRC, Ruinian Industry and Nanjing Ruinian, any significant revaluation of the Renminbi may have a material adverse effect on the value of, and any dividends payable on, our Shares in foreign currency terms. For example, to the extent that we need to convert Hong Kong dollars we received from the Global Offering into Renminbi for our operations, appreciation of the Renminbi against the Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the Hong Kong dollar against the Renminbi would have a negative effect on the Hong Kong dollar amount available to us. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar would affect our financial results reported in Hong Kong dollar terms without giving effect to any underlying change in our business or results of operations.

Restrictions on currency exchange may limit our ability to receive and use our turnover effectively.

Substantially all of our turnover and expenses are denominated in Renminbi. Under PRC law, the Renminbi is currently convertible under the "current account," which includes dividends and trade and service-related foreign exchange transactions. Currently, Ruinian Industry and Nanjing Ruinian may purchase foreign currencies for settlement of current account transactions, including payments of dividends to us, without the approval of the SAFE, by complying with certain procedural requirements. However, the relevant PRC government authorities may limit or eliminate our ability to purchase foreign currencies in the future. Since a significant amount of our future turnover will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilise turnover generated in Renminbi to fund our business activities outside the PRC that are denominated in foreign currencies.

Foreign exchange transactions by Ruinian Industry and Nanjing Ruinian under the capital account continue to be subject to tight foreign exchange controls and require the approval of or need to register with PRC government authorities, including the SAFE. In particular, if Ruinian Industry and Nanjing Ruinian borrow foreign currency through loans from us or other foreign lenders, these loans must be registered with the SAFE, and if we finance Ruinian Industry and Nanjing Ruinian by means of additional capital contributions or expand our business through establishing a new subsidiary in the PRC, these capital contributions and the establishment of the new subsidiary must be approved by the MOC or its local agencies. These limitations could affect the ability of Ruinian Industry to obtain foreign exchange through debt or equity financing.

Any future outbreak of SARS, avian influenza, H1N1 influenza or similar adverse public health developments may severely disrupt our business and operations.

Our business could be adversely affected by the effects of SARS, pandemic avian flu, H1N1 influenza or other epidemics or outbreaks. From December 2002 to June 2003, the PRC and other countries experienced an outbreak of a new and highly contagious form of atypical pneumonia now known as SARS. On 5 July 2003, the World Health Organization declared that the SARS outbreak had been contained. Since September 2003, however, a number of isolated new cases of SARS have been reported, most recently in central China in April 2004. During May and June of 2003, many businesses in the PRC were temporarily closed by the PRC government to prevent transmission of SARS. In

addition, in 2005, 2006, 2007 and 2008, there have been reports on the occurrences of avian influenza in various parts of the PRC, including a few confirmed human cases that resulted in fatalities. In 2009, China has reported a number of occurrences of H1N1 influenza. Any prolonged recurrence of avian influenza, SARS, H1N1 influenza or other adverse public health developments in the PRC may have a material adverse effect on our business operations. These could include our ability to travel or ship our products within the PRC, as well as temporary closure of our manufacturing facility. Such closures or travel or shipment restrictions would severely disrupt our business operations and adversely affect our results of operations. We have not adopted any written preventive measures or contingency plans to combat any future outbreak of avian influenza, SARS or any other epidemic.

Risks Related to the Global Offering

There has been no public market for our Shares prior to the Global Offering, and you may not be able to resell our Shares at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our Shares. Our application to list our Shares on the Stock Exchange has been approved. If an active trading market for our Shares does not develop after the Global Offering, the market price and liquidity of our Shares will be materially and adversely affected.

The initial public offering price for our Shares is determined by negotiations between us and the Underwriters and may bear no relationship to the market price for our Shares after this initial public offering. We cannot assure you that an active trading market for our Shares will develop or that the market price of our Shares will not decline below the initial public offering price.

The market price for our Shares may be volatile.

The market price for our Shares is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- announcements of technological or competitive developments;
- regulatory developments in the PRC affecting us, our customers or our competitors;
- announcements regarding patent litigation or the issuance of patents to us or our competitors;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other nutritional supplement companies;
- addition or departure of our executive officers and key research personnel;
- release or expiry of lock-up or other transfer restrictions on our Shares; and
- sales or perceived sales of additional Shares.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our Shares.

Because the initial public offering price is substantially higher than our net tangible book value per Share, you will incur immediate and substantial dilution.

If you purchase Shares in the Global Offering, you will pay more for your Shares than the amount paid by our existing Shareholders for their ordinary Shares on a per Share basis. As a result, you will experience immediate and substantial dilution of approximately HK$1.86 per Share (assuming the Over-allotment Option is not exercised), representing the difference between our pro forma adjusted net tangible book value per Share as of 30 September 2009, after giving effect to the Global Offering and the initial public offering price of HK$3.365 per Share. In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options. See "Financial Information — Unaudited Pro Forma Adjusted Net Tangible Assets Statement" for a more complete description of how the value of your investment in our Share will be diluted upon completion of the Global Offering.

We cannot assure you that we will declare dividends in the future.

During the year ended 31 December 2007, we declared and paid RMB138.6 million in dividends. For further details of our dividend policy, please see "Financial Information — Dividend Policy." However, there is no assurance that future dividends will be declared or paid in an amount equivalent to or exceeding historical dividends declared or at all. We currently do not expect to distribute dividends in 2009. Therefore, investors are cautioned not to use historical dividends as an indication of the amount of future dividends to be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors depending on, among others, our earnings, financial condition, cash requirements, our profit, our Memorandum and Articles of Association, applicable law and other relevant factors.

Substantial future sales or perceived sales of our Shares in the public market could cause the price of our Shares to decline.

Sales of our Shares in the public market after the Global Offering, or the perception that these sales could occur, could cause the market price of our Shares to decline. Immediately after completion of the Global Offering, we will have 1,000,000,000 Shares in issue, of which an aggregate of 300,000,000 Shares, or 30.0%, will be publicly held by investors and an aggregate of 700,000,000 Shares, or 70.0% will be privately held by our existing Shareholders, assuming the Over-allotment Option is not exercised. The Shares publicly held by investors will be eligible for immediate resale in the public market in Hong Kong without restrictions, while the Shares privately held by our existing Shareholders may be sold in the public market in Hong Kong subject to the disposal restrictions under Rule 10.07 of the Listing Rules (including but not limited to the lock-up requirements during the period commencing on the date by reference to which disclosure of their shareholding is made in this prospectus and ending on the date which is 180 days after the Listing Date). If our existing Shareholders sell, or are expected to sell, a substantial amount of our Shares, the prevailing market price for our Shares could be adversely affected.

Prospective investors are cautioned not to place undue reliance on any forward-looking statements contained in this prospectus.

This prospectus contains certain statements that are forward-looking, often indicated by the use of words such as "anticipate," "believe," "could," "expect," "may," "should," "will," or similar terms. Prospective investors are cautioned that reliance on any forward-looking statements involves risks and

uncertainties, and that any or all of the assumptions or judgments on which such statements are based could prove to be incorrect, and as a result, the forward-looking statements could also be incorrect. In light of these and other uncertainties, the forward-looking statements in this prospectus should not be regarded as representations by us that our plans, expectations or objectives will be achieved, and investors should not place undue reliance on such statements.

The industry information from official government publications contained in this prospectus should not be unduly relied upon.

Certain statistics in the section headed "Industry Overview" in this prospectus relating to the nutritional supplement industry and the pharmaceutical industry are derived from various official government publications. We believe that such official government publications are appropriate sources for these statistics and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by us, the Sponsor, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy.

In addition, these publications may include projections about the nutritional supplement industry, the RTD tea industry and the pharmaceutical industry in the PRC that are based on a number of assumptions. The nutritional supplement industry, the RTD tea industry and the pharmaceutical industry may not grow at the rates projected by the market data, or at all. The failure of the market to grow at the projected rates may have a material adverse effect on our business and the market price of our Shares. In addition, the rapidly changing nature of the nutritional supplement industry, the RTD tea industry and the pharmaceutical industry subjects any projections or estimates relating to the growth prospects or future condition of our market to significant uncertainties. If any one or more of the assumptions underlying the market data turns out to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these publications.

Investors should read the entire prospectus carefully and should not consider any particular statements in this prospectus or in published media reports without carefully considering the risks and other information contained in this prospectus.

There has been coverage in the media regarding the Global Offering and our operations. The 2 February 2010 edition of Hong Kong Economic Times contained research reports regarding our Company, including certain alleged information about our market shares and forward-looking statements.

We do not accept any responsibility for the accuracy or completeness of such financial information or forward-looking statements and make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. To the extent that any of the information in the media is inconsistent or conflicts with the information contained in this prospectus, we disclaim it. Accordingly, prospective investors should not rely on any of the information in press articles or other media coverage.