



# STAR PHARMACEUTICAL LIMITED

Registration No. 200500429W

*The initial public offering of the Company's shares was sponsored by Kim Eng Capital Pte. Ltd.*

## UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

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

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

These figures have not been audited.

<u>Group</u>	RMB'000		Actual Period from 29/06/2004 to 31/12/2004	%
	Actual Year ended 31/12/2005 (a)	Proforma Year ended 31/12/2004 (b)		
Revenues	116,517	92,251	57,260	26.3
Cost of sales	(47,766)	(35,976)	(22,410)	32.8
<b>Gross profit</b>	<b>68,751</b>	<b>56,275</b>	<b>34,850</b>	<b>22.2</b>
Other income	2,908	1,517	2,025	91.7
Selling and distribution expenses	(9,657)	(6,586)	(3,177)	46.6
Administration expenses	(11,399)	(8,107)	(4,090)	40.6
Other expenses	(863)	(2,065)	(826)	(58.2)
	49,740	41,034	28,782	21.2
Finance costs	(1,403)	(288)	(112)	387.2
<b>Profit before taxation</b>	<b>48,337</b>	<b>40,746</b>	<b>28,670</b>	<b>18.6</b>
Taxation	-	(865)	(38)	NM
<b>Profit for the year/period</b>	<b>48,337</b>	<b>39,881</b>	<b>28,632</b>	<b>21.2</b>
<b>Earnings per share (RMB cents)</b>				
- basic and diluted	25.8	21.3	30.3	

NM- Not meaningful

## Notes to the Income Statement:

<u>Group</u>	Actual Year ended 31/12/2005 (a)	RMB'000 Proforma Year ended 31/12/2004 (b)	Actual Period from 29/06/2004 to 31/12/2004
<b>Profit before taxation includes the followings:</b>			
Other income including interest income and net exchange gain	2,908	1,517	2,025
Interest on borrowings	(1,403)	(288)	(112)
Depreciation and amortisation expenses	(7,846)	(4,828)	(2,676)

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

	Group		Company
	FY2005	FY2004	FY2005
	RMB'000	RMB'000	RMB'000
<b>Non Current assets</b>			
Property, plant and equipment	42,818	41,325	24
Investment in a subsidiary	-	-	76,607
Lease prepayments	1,394	1,487	-
Intangible assets	105,555	43,510	-
	<u>149,767</u>	<u>86,322</u>	<u>76,631</u>
<b>Current assets</b>			
Inventories	11,235	7,413	-
Trade receivables	11,126	14,199	-
Other receivables, prepayments and deposits	14,649	5,588	12,278
Cash and cash equivalents	28,944	33,694	-
	<u>65,954</u>	<u>60,894</u>	<u>12,278</u>
<b>Total assets</b>	<u>215,721</u>	<u>147,216</u>	<u>88,909</u>
<b>Equity</b>			
Share capital	76,000	76,000	76,000
Reserves	5,803	12	-
Accumulated profits/(losses)	66,166	23,620	(2,492)
<b>Total equity</b>	<u>147,969</u>	<u>99,632</u>	<u>73,508</u>
<b>Non-current liabilities</b>			
Amount owing to related corporation	607	607	607
Deferred tax liabilities	2,414	2,414	-
	<u>3,021</u>	<u>3,021</u>	<u>607</u>
<b>Current liabilities</b>			
Trade and other payables	28,033	20,623	9,520
Dividend payable	-	3,235	-
Amounts owing to related corporations	35,038	19,007	5,274
Provision for taxation	1,660	1,698	-
	<u>64,731</u>	<u>44,563</u>	<u>14,794</u>
<b>Total liabilities</b>	<u>67,752</u>	<u>47,584</u>	<u>15,401</u>
<b>Total equity and liabilities</b>	<u>215,721</u>	<u>147,216</u>	<u>88,909</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31.12.2005		As at 31.12.2004	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	30,667*	19,007*	-

**Amount repayable after one year**

As at 31.12.2005		As at 31.12.2004	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	607	-	607

**Details of any collateral**

- \* The above loans from immediate holding company, Harvest Year Group ("Harvest Year"), is denominated in United State Dollar of US\$3,800,000 (2004: US\$2,300,000).

As at 31 December 2005, the loan is unsecured.

As at 31 December 2004, the loan was secured by a pledge of all the property, plant and equipment ("PPE") and land use right of the subsidiary, Hainan Star Pharmaceutical Co., Ltd ("Hainan Star").

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

<u>Group</u>	Actual Year ended 31/12/2005	RMB'000 Proforma Year ended 31/12/2004	Actual Period from 29/6/2004 to 31/12/2004
<b>Cash flow from operating activities</b>			
<b>Profit before taxation</b>	48,337	40,746	28,670
Adjustments for:			
Amortisation of deferred development costs	2,982	588	536
Amortisation of lease prepayment	93	93	47
Depreciation of property, plant and equipment	4,771	4,147	2,093
Negative goodwill	-	-	(1,279)
Interest expense	1,403	288	112
Interest income	(261)	(307)	(124)
Impairment loss on property, plant and equipment	-	523	-
Loss on disposal of property, plant and equipment	135	37	28
<b>Operating profit before working capital changes</b>	<b>57,460</b>	<b>46,115</b>	<b>30,083</b>
<b>Changes in working capital:</b>			
Inventories	(3,822)	(687)	230
Trade and bill receivables	3,073	(8,647)	(5,394)
Other receivables, prepayments and deposits	(8,860)	(3,616)	2,846
Amount due from shareholders	-	3,369	-
Trade and other payables	6,561	4,486	4,082
<b>Cash generated from operations</b>	<b>54,412</b>	<b>41,020</b>	<b>31,847</b>
Income tax paid	(38)	(1,443)	(777)
<b>Cash flows from operating activities</b>	<b>54,374</b>	<b>39,577</b>	<b>31,070</b>
<b>Investing activities</b>			
Payments for product development in progress	(64,977)	(24,619)	(21,263)
Purchase of property, plant and equipment	(6,735)	(2,054)	(1,895)
Proceeds from disposal of property, plant and equipment	21	218	216
Cash flows arising from acquisition/disposal of subsidiary	-	-	15,940
Advances to third parties	-	(500)	(500)
Repayment of loan from former shareholders	-	6,160	-
Repayment of loan from a third party	500	1,500	1,500
Interest received	261	307	124
<b>Cash flows from investing activities</b>	<b>(70,930)</b>	<b>(18,988)</b>	<b>(5,878)</b>
Balance carried forward	(16,556)	20,589	25,192

<u>Group</u>	Actual Year ended 31/12/2005	RMB'000 Proforma Year ended 31/12/2004	Actual Period ended 29/6/2004 to 31/12/2004
Balance brought forward	(16,556)	20,589	25,192
<b>Financing activities</b>			
Advances from immediate holding company	4,371	607	607
Proceeds from loan granted by immediate holding company	11,660	19,007	19,007
Repayment of bank loan	-	(6,000)	(6,000)
Dividend paid to former shareholders/Harvest Year	(3,235)	(14,000)	(5,000)
Interest paid	(990)	(288)	(112)
<b>Cash flows from financing activities</b>	<b>11,806</b>	<b>(674)</b>	<b>8,502</b>
Net (decrease)/increase in cash and cash equivalents	(4,750)	19,915	33,694
Cash and cash equivalents at beginning of the year/period	33,694	13,779	-
Cash and cash equivalents at end of the year/period	28,944	33,694	33,694

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

<u>Group</u>	Share capital RMB'000	Statutory surplus reserve RMB'000	Statutory public welfare fund RMB'000	Accumulated profits RMB'000	Total RMB'000
At 29 June 2004	76,000	-	-	-	76,000
Net profit for the year	-	-	-	28,632	28,632
Transfer	-	8	4	(12)	-
Dividend *	-	-	-	(5,000)	(5,000)
<b>At 31 December 2004</b>	<b>76,000</b>	<b>8</b>	<b>4</b>	<b>23,620</b>	<b>99,632</b>
At 1 January 2005	76,000	8	4	23,620	99,632
Net profit for the year	-	-	-	48,337	48,337
Transfer	-	5,791	-	(5,791)	-
<b>At 31 December 2005</b>	<b>76,000</b>	<b>5,799</b>	<b>4</b>	<b>66,166</b>	<b>147,969</b>

\* Dividend paid/payable to Harvest Year by Hainan Star during the period ended 31 December 2004.

<u>Company</u>	Share capital RMB'000	Accumulated losses RMB'000	Total RMB'000
Share issued during the period	76,000	-	76,000
Net loss for the period	-	(2,492)	(2,492)
At 31 December 2005	<u>76,000</u>	<u>(2,492)</u>	<u>73,508</u>

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

The company was incorporated in Republic of Singapore on 10 January 2005 under the Companies Act as a private company limited by shares under the name of "Star Pharmaceutical Pte. Ltd."

As at the date of incorporation, the authorised share capital was S\$10,000,000 comprising 10,000,000 ordinary shares of S\$1.00 each, of which two ordinary shares of S\$1.00 each were issued and are fully paid.

At an ordinary general meeting held on 20 September 2005, the shareholder of the company approved:-

- a) an increase in the authorised share capital of the Company from S\$10,000,000 divided into 10,000,000 ordinary shares of S\$1.00 each to S\$10,000,000 divided into 100,000,000 ordinary shares of S\$1.00 each, by the creation of 90,000,000 ordinary shares of S\$1.00 each;
- b) issue of 14,983,998 ordinary shares of S\$1.00 each in consideration for the acquisition of Hainan Star from Harvest Year;
- c) consolidation of two ordinary shares of S\$1.00 each in the authorised and issued and paid-up share capital of the Company into one ordinary share of S\$2.00 each;
- d) sub-divided each ordinary share of S\$2.00 each in the authorised and issued and paid-up share capital of the Company into 25 ordinary share of S\$0.08 each;
- e) conversion of the Company into a public limited company and consequential change of the name to "Star Pharmaceutical Limited";

As at 31 December 2005, the authorised share capital of the Company was S\$10,000,000 (RMB507,208,000) comprising 1,250,000,000 ordinary shares of S\$0.08 each and the issued and paid-up capital of the Company was S\$14,984,000 (RMB76,000,000) comprising 187,300,000 ordinary shares of S\$0.08 each.

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

The figures have neither been audited or reviewed by the auditors.

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

Not applicable.

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

The accounting policies and methods of computation applied for the financial year reported on are consistent with those of the proforma financial statements as at 31 December 2004 as reported in the prospectus dated 6 February 2006.

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

Not applicable.

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

<u>Group</u>	Actual Year ended 31/12/05	Group Proforma Year ended 31/12/04	Actual Period from 29/6/04 to 31/12/04
(a) Earnings (RMB'000)	48,337	39,881	28,632
(b) no of ordinary shares used in calculation of basic earnings per share	187,300,000	187,300,000	94,419,726
(c) Earnings per ordinary share of the group, after deducting any provision for preference dividends (in RMB cents):			
- Based on weighted average number of ordinary shares on issue; and	25.8	21.3	30.3
- On a fully diluted basis	25.8	21.3	30.3

The share capital as at 31 December 2004 represents the nominal value of shares of 187,300,000 shares of par value S\$0.08 of the Company in issue as at 31 December 2005. As these shares were issued in consideration for the acquisition of Hainan Star accounted for under the "pooling of interest" method, these 187,300,000 shares are deemed to have been issued on 29 June 2004.



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

	2005	Group 2004	Company 2005
Net asset value per ordinary share based on issued share capital at the end of financial year (in RMB cents):	79.0	53.2	39.2

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

**(A) Income Statement (Actual 2005 vs Proforma 2004)**

**(i) Revenue**

	Group		increase/(decrease)	
	Actual FY2005 RMB'000	Proforma FY2004 RMB'000	RMB'000	%
Antibiotics	60,617	49,037	11,580	23.6
Cardiovascular drugs and cerebrovascular drugs	21,093	23,792	(2,699)	(11.3)
Others	34,807	19,422	15,385	79.2
	<u>116,517</u>	<u>92,251</u>		

The Group's revenue increased by approximately 26.3% from approximately RMB92.3 million in FY2004 to RMB116.5 million in FY2005. This was due mainly to:-

- (a) a net increase of approximately RMB11.6 million from the sales of antibiotics. The increase was mainly attributable to sales of new product, Cefoperazone Sodium and Sulbactam Sodium Powder Injection, which was only launched in the second half of FY2004.
- (b) contribution from other categories of products amounting to RMB15.4 million which include drugs for the treatment of bacterial and viral infections such as Potassium Sodium Dehydroandrographolide Succinate Lyophilised Powder for injection which was launched in the second half of FY2004 and drugs for anesthetics which were launched in FY2005.

The above increase in revenue was partially offset by a decrease of RMB2.7 million in revenue from cardiovascular drugs and cerebrovascular drugs due mainly to the downward revision of selling price of Puerarin Injection as a result of increased market competition.

**(ii) Gross profit and gross profit margin**

Gross profit increased by approximately RMB12.5 million from approximately RMB56.3 million in FY2004 to approximately RMB68.8 million in FY2005. Increase in gross profit was mainly contributed by the newly launched products in the second half of FY2004 (i.e. Cefoperazone Sodium and Sulbactam Sodium Powder Injection and Potassium Sodium Dehydroandrographolide Succinate Lyophilised Powder for Injection) and products launched in FY2005 such as drugs for anesthetics. The overall gross profit margin moderated from approximately 61.0% in FY2004 to approximately 59.0% in FY2005. Decrease in the gross profit margin was due mainly to the downward revision of selling prices by the State Food and Drug Administration ("SFDA") of the Peoples' Republic of China ("PRC") on certain of the products. In addition, the Group's products were being exported by a foreign trading company to developing countries at a higher margin where competition for pharmaceutical products was relatively less intense than that in PRC. Decrease in the sales by the foreign trading company in FY2005 also resulted in the slight drop in the gross profit margin.

**(iii) Other income**

Other income has increased by approximately RMB1.4 million in FY2005 due mainly to the increase in Value Added Tax ("VAT") subsidies from the government as a result of higher sales in FY2005.

**(iv) Profit before taxation**

Profit before taxation increased by approximately RMB7.6 million or 18.6% from approximately RMB40.7 million in FY2004 to approximately RMB48.3 million in FY2005. Apart from an increase in gross profit as described above, the increase in the profit before taxation could also be attributed to an increase in other income of approximately RMB1.4 million and a decrease in other operating expenses of approximately RMB1.2 million. The increase was partially offset by an increase in selling and distribution expenses of approximately RMB3.1 million, an increase of administrative expenses of approximately RMB3.3 million and an increase in finance costs of approximately RMB1.1 million.

The increase in the selling and distribution expenses was due mainly to higher advertising and promotion expenses and staff costs. Commencing in the second half of FY2004 and continuing into FY2005, the Group expanded the product offering beyond antibiotics and cardiovascular drugs and cerebrovascular drugs to include other drugs which were mainly drugs for viral infections and anesthetics. The launches of these new categories of drugs required more advertising and promotional activities in order to achieve wider awareness and acceptance from the general public. The increase in selling and distribution expenses was also due to higher bonus paid to the sales and marketing staff in FY2005.

The increase in the administrative expenses was due mainly to holding company's expenses which include staff salaries, statutory and compliance expenses. The Company was incorporated on 10 January 2005.

The decrease in other operating expenses was due to one-off impairment losses as well as certain PPE written-off for some of the Group's PPE in FY2004.

Finance costs increased by approximately RMB1.1 million due mainly to higher loan principal drawn and longer loan period in FY2005.

**(v) Income tax**

The Group was not subject to any income tax in FY2005. With effect from June 2004, the Company's subsidiary, as a wholly foreign-owned enterprise, was exempted from Enterprise Income Tax ("EIT") for the first two years and would enjoy a 50% deduction in EIT for the next three years.

**(B) Balance Sheet**

As at 31 December 2005, non-current assets increased by approximately RMB63.4 million from approximately RMB86.3 million in FY2004. The increase was due mainly to higher capitalisation of intangible assets by approximately RMB65.0 million comprising mainly the development cost relating to the new products that the Group was currently developing.

As at 31 December 2005, current assets increased by approximately RMB5.1 million from approximately RMB60.9 million in FY2004 due mainly to an increase in inventories of approximately RMB3.8 million, an increase in other receivables, prepayments and deposits of approximately RMB9.1 million, a decrease of trade and bill receivables of approximately RMB3.1 million and a lower cash and cash equivalent of approximately RMB4.8 million.

As at 31 December 2005, equity increased by approximately RMB48.3 million. This was due mainly to profits generated in FY2005.

Non-current liabilities of approximately RMB3.0 million for both 31 December 2004 and 31 December 2005 comprised deferred tax liabilities of approximately RMB2.4 million and an amount owing to the immediate holding company of approximately RMB0.6 million. The amount due to the immediate holding company was non-interest bearing and repayable by 31 December 2007.

Current liabilities increased by approximately RMB20.2 million as at 31 December 2005. The increase was due mainly to an increase in trade and other payables by approximately RMB7.4 million, an increase of amount owing to immediate holding company of approximately RMB16.0 million and a decrease of dividend payable of approximately RMB3.2 million. The amount due to the immediate holding company bears an annual interest rate of 2.0% above the three-month SIBOR and would be repayable by 31 December 2006 (please refer to Note 1(b)(ii) for details on collateral).

**(C) Cash Flows Statement**

In FY2005, the Group experienced a net cash inflow from operating activities of approximately RMB54.4 million which comprised mainly of operating profit before working capital changes of approximately RMB57.5 million. This was partially offset by an increase in working capital of approximately RMB3.1 million. The increase in working capital was due mainly to cash outflow resulting from an increase in inventories and an increase in other receivables, prepayments and deposits. The increase in inventories was in line with the increase in the Group's business activities. The increase in other receivables, prepayments and deposits was due mainly to the prepaid Initial Public Offer expenses as at 31 December 2005.

In FY2005, the Group recorded a net cash outflow pertaining to investing activities of approximately RMB70.9 million. This was attributed mainly to payments for product development activities amounting to approximately RMB65.0 million and acquisition of PPE of approximately RMB6.7 million. The cash outflow was partially offset by repayment of loans from a third party amounting to approximately RMB0.5 million and interest received of approximately RMB0.3 million.

The Group recorded a net cash inflow pertaining to financing activities of approximately RMB11.8 million for FY2005. This was attributed mainly to additional loan of approximately RMB11.7 million received from the immediate holding company.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

The Group remains fairly optimistic of the prospects in FY2006 supported by the rapidly expanding pharmaceutical market in the PRC, as well as the strong R&D capabilities and sales and marketing initiatives.

The ageing population, improvement in standard of living, as well as government promotion of the healthcare industry in the PRC are likely to drive higher demand and spending on pharmaceutical drugs in the PRC.

The new products launched in the second half of FY2004, such as antibiotics (Cefoperazone Sodium and Sulbactam Sodium Powder Injection) and drugs for the treatment of bacterial and viral infections (including Potassium Sodium Dehydroandrographolide Succinate Lyophilised Powder for injection), as well as anaesthetics drugs launched in FY2005 will continue to contribute positively to the Group's results.

To sustain long-term growth, the Group plans to broaden its product offerings by expanding its existing product lines and venturing into other fast growing product lines to cater to wider customer segments. The Group will achieve this with the support of its strong and experienced in-house R&D teams, complemented by its established collaborations with research institutions in the PRC.

The Group has an established track record in developing successful products that are readily accepted by the market. The Group currently has 13 new drugs under development, of which five are intended to be launched in FY2006 or early FY2007, subject to SFDA's approval. Of these 13 new drugs, 3 are TCM-formulated drugs and 2 are classified as "Category 1" drugs by the SFDA (i.e. drugs which have not previously been marketed in the PRC and/or worldwide). One of these new "Category 1" drugs is for the treatment of hypertension related ailments and the Group has completed the first stage clinical trials for this drug.

The Group plans to invest in new equipment and construct additional production lines to meet the anticipated demand for its new and existing products.

To expand product reach and increase market share, the Group will strengthen its sales and marketing drive in the PRC and increase its advertising and promotional efforts to various medical institutions on the Group's new products. The Group aims to expand on its already extensive distribution network of 240 distributors by working with new and reliable distributors who may be able to distribute the Group's products to new customers and markets in the PRC.

Apart from organic growth, the Group will also explore possible strategic acquisitions, strategic partnerships and/or joint ventures to expand the Group's capabilities and business. As disclosed in the Prospectus dated 6 February 2006, a memorandum of understanding with a research institute, Beida Shijia Technological Development Co., Ltd, had been signed to explore potential opportunities to cooperate and jointly develop new drugs.

Barring unforeseen circumstances, Management is fairly optimistic about the Group's performance in FY2006.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommendeded.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

The Group's main businesses are those relating to the manufacturing and trading of pharmaceutical products and it operates mainly in the PRC. Accordingly, the Group is not subject to different risks and returns in its activities and geographical regions in which it operates.

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

Please refer to Note 8 for the review of performance by business.

**15. A breakdown of sales.**

<u>Group</u>	Actual	Proforma	increase/(decrease)	
	FY2005 RMB'000	FY2004 RMB'000	RMB'000	%
Antibiotics	60,617	49,037	11,580	23.6
Cardiovascular drugs and cerebrovascular drugs	21,093	23,792	(2,699)	(11.3)
Others	34,807	19,422	15,385	79.2
	<u>116,517</u>	<u>92,251</u>		

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

Not applicable.

**BY ORDER OF THE BOARD**

**Wong Kai**  
Chairman  
08/03/2006