Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

积華

JIWA BIO-PHARM HOLDINGS LIMITED
積華生物醫藥控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 2327)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2012

On behalf of the board of directors (the "Board") of Jiwa Bio-Pharm Holdings Limited ("Jiwa" or the "Company"), I am pleased to present the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2012 (the "Year" or the "Period").

RESULTS

During the period under review, the Group recorded a turnover of HK$203,787,000, representing an increase of 16.2% as compared to HK$175,309,000 (excluding revenue from Discontinued Operations as detailed in note 9) of the same period last year. During the Year, profit attributable to owners of the Company amounted to HK$70,620,000, compared to HK$255,663,000 of the same period of last year, of which HK$193,865,000 was deemed as one-off net gain from the disposal of subsidiaries. Excluding this income item, profit attributable to owners of the Company increased by 14.3% from the same period of last year.

DIVIDEND

The Board recommends the payment of a final dividend of HK2.1 cents per share for the year ended 31 March 2012. This proposed dividend is subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 6 July 2012 and will be payable on around 6 August 2012 to shareholders on the register of members on 17 July 2012.

PROSPECTS

The Group completed the first phase of reorganization during the past year, and the proceeds from the reorganization were partly distributed to our shareholders last year in an endeavor to share the gain on disposal of our pharmaceutical business. The proceeds also provided financial support to the Group's effort for business diversification.

* *For identification purpose only*

Over the past year, the management of the Group has ardently explored investment projects and deployed professional teams for analysis of potential return and risks in a number of industries. The Company has consistently upheld the practice of meticulous management as it progressed on the route of business diversification.

Looking into the future, the Company will proactively seek business development and opportunities in the three major areas of trading, R&D project management and investment. In view of the relatively unstable global economy in the coming year, the Group will lay out a complex cautious view on the global recovery in 2012. Given the co-existence of risk and opportunity, the Group will continue to strengthen its corporate governance, excel in risk management efforts, and balance the investment risks of different industries and projects as it strives for optimization of its industry value and continued enhancement of shareholder's return.

BUSINESS REVIEW

Trading Business

During the Period, turnover from the trading business was HK$203,787,000, representing an increase of 16.2% from the previous year; the segmental results amounted to HK$28,930,000, representing an increase of 4.4% from the previous year. Trading product sales of the Company mainly include import prescription drugs sold to Kunming Jida Pharmaceutical Company Limited ("KJP"), a 49% owned associated company of the Group) and a small portion of health care products manufactured in the People's Republic of China ("PRC"). After completion of the reorganization, KJP has established a subsidiary in Hong Kong, which is specifically responsible for KJP's new trading business and direct procurement from suppliers in Europe to strengthen its competitive edges. With the gradual expansion of scale of KJP, the pharmaceutical trading business of the Group has been significantly downsized. However, the Group is ardently looking at trading opportunities in different regions and industries, building on its market network in Europe, ASEAN and China, as well as the extensive experience of its management in trading business.

R&D and Project Management

The Group has commenced joint effort chemical and biological researches with R&D institutions in Hong Kong since 2007. It has also established a R&D center in Kunming. Its products developed can be applied in pharmaceutical, cosmetic and health products. During the Period, one of the pharmaceutical projects has achieved ground breaking results for further development.

During the Period, loss of this segment amounted to HK$1,680,000. The management is optimistic towards this business and is proactively identifying R&D projects with strong potentials. It is expected that this business segment will bring along considerable income to the Group as the above project progress.

Investment and Treasury Function

During the Period, profits of this segment amounted to HK$4,395,000, which was mainly derived from gain from treasury products and rental income. The Group is cautiously sidelined for the development of the global economy.

Under the Group's existing treasury management policy, the Group would manage the excess short term cash fund to purchase treasury products with relatively higher yield return under limited risk exposure. As at 31 March 2012, the value of treasury products amounted to HK$161,032,000. The Group purchased these certain treasury products from well-known bankers during the year, all of which were under the principal protected by high credit rating bankers. From the valuation reports issued by independent valuer Roma Appraisals Limited on 10 April 2012, these treasury products comprise of cash component and derivative components. The directors of the company considered that the cash components of these treasury products were not less than HK$153,000,000 as at 31 March 2012, such high cash portion reflected a high liquidity value with limited risk exposure. The Company is actively seeking opportunity to invest and diversify the Group's business with the proceeds received from the deemed disposal of KJP, Yunnan Jiwa Pharm Logistics Company Limited ("YJPL"), and Jiangsu Jiwa Rintech Pharmaceutical Company Limited ("JJRP"). The management from time to time reviews the market situations to arrive the decision of exit from these treasury products in order to ensure healthy financial position of the Group.

In May 2012, the Group acquired a unit in a Grade A commercial building for HK$20,070,000 that can be used in conjunction with the adjacent unit currently held by the Group to enhance the overall value of the properties and generate rental income to the Group.

Strategic Investments

In early 2011, KJP has placed and issued 30% of its equity to strategic investors, and also reorganized its businesses in the PRC through including the Company's wholly-owned subsidiaries YJPL and JJRP into the PRC pharmaceutical business structure that is headed by KJP, (collectively "Jida Group"). The reorganization generated a net gain of HK$193,865,000, with Jida Group becoming a 49%-owned associated company of the Group from 30 March 2011. During the Period, Jida Group has generated a profit of HK$50,689,000 to the Group.

From the long-term perspective, the PRC pharmaceutical market possesses strong growth potential. However, before ratification of the system completes, the pharmaceutical industry will remain under the impact of the strong industry policy. Pharmaceutical enterprises will continue to face challenges such as lower bidding price and cost increases, while industry diversification will further aggravate. Under an environment of "either progress or regress" and "elimination of the weak and survival of the strong", small and medium pharmaceutical enterprises have to fight for the leading position in different subsectors to consolidate their competitiveness before they will be able to capitalize on the immense opportunities of the PRC pharmaceutical market.

Following the introduction of strategic partner and the structural reorganization last year, the management of Jida Group is bound to become increasingly internationalized, enterprised and professionalized, which is in turn advantageous to its own development.

FINANCIAL REVIEW

Liquidity

As at 31 March 2012, cash and cash equivalents of the Group totalled approximately HK$58,532,000 (2011: approximately HK$9,506,000), of which approximately 30.0% are in Hong Kong dollars, 54.1% in RMB, 4.9% in US dollars, 8.9% in Euro, 2.0% in CHF and 0.1% in Macau Pataca. The increase in cash and cash equivalents is mainly attributable to a result of the receipt of cash proceeds under the mentioned structural reorganization in March 2011 and an increase in bank borrowings.

As at 31 March 2012, the Group had aggregate banking facilities of approximately HK$581,030,000 (2011: approximately HK$363,350,000) of which approximately HK$283,988,000 was utilized (2011: approximately HK$155,037,000). This comprised of as to approximately HK$256,071,000 in short term bank loans and approximately HK$4,992,000 in letter of credit issued by the relevant banks to independent third parties. The increase in total bank borrowings are mainly due to the increase in the bank borrowings against pledged bank deposits and pledged treasury products.

Interest rate risk

The Group's bank borrowings was mainly denominated in HK dollar and US dollar in order to minimize currency risk. As at 31 March 2012, the gearing ratio was approximately 27% (2011: approximately 15%), calculated based on the Group's total bank borrowings of approximately HK$256,071,000 (2011: approximately HK$135,505,000) over the Group's total assets of approximately HK$932,953,000 (2011: approximately HK$905,098,000).

Foreign currency risk

The Group is subject to foreign currency risk as certain bills payable arising from import of purchases from European countries are denominated in EUROs. Management had hedged with EURO forward contracts to minimize the foreign currency risk.

Credit risk

The Group has a pragmatic approach towards credit risk management. New customers are usually not allowed to purchase on credit and the payment conduct of clients are monitored both to facilitate the determination of credit limit as well as a control over whether new sale deliveries should be made. The Group's sale staff and marketing agents pay regular visits to customers to promote the Group's products and at the same time would update information on the clients' credit worthiness. The remuneration of sales staff and marketing agents are structured so that there is goal congruence in maintaining a robust credit risk management system.

Capital Commitments

At 31 March 2012, Outstanding Capital Commitment not provided for in the financial statements were as follows:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Contracted for		
— acquisition of property, plant and equipment	**65,921**	7,647

Funding for capital commitments is expected to come from the Group's internal resources and bank borrowings.

The Company had no capital commitment as at 31 March 2012 (2011: Nil).

Charge on Group assets

As at 31 March 2012, bank loans amounting to approximately HK$15,250,000 (2011: HK$20,250,000) were secured by the investment property (2011: leasedhold land and buildings) of the Group having a net book value approximately HK$29,000,000 (2011: HK$6,719,000). In additions, bank loans amounting to HK$97,821,000 (2011: HK$77,755,000) were secured by the Group's pledged bank deposits amounting HK$90,008,000 (2011: HK$76,455,000). The bank loans amounted to approximately HK$127,000,000 (2011: Nil) were secured by the Group's treasury products amounting HK$141,427,000 (2011: Nil).

Contingent Liabilities

As at 31 March 2012, the Group has issued corporate guarantees to banks amounting to approximately HK$150,323,000 with respect to bank borrowings of the associates of the Group. As at 31 March 2012, the outstanding balances of the bank borrowings were HK$33,323,000.

The Group was not liable to any material legal proceedings of which provision for contingent liabilities was required.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Continuing operations			
Revenue	4, 5	**203,787**	175,309
Cost of sales		**(168,472)**	(127,095)
Gross profit		**35,315**	48,214
Other income	6	**16,248**	1,730
Selling expenses		**(1,065)**	(1,369)
Administrative expenses		**(18,573)**	(23,701)
Other operating expenses		**(1,334)**	(2,649)
Other gains/(losses), net			
Gain on derecognition of profit guarantee	14(a)	**3,289**	—
Fair value gain on put option	14(b)	**24,252**	—
Impairment of other receivables		**(20,211)**	—
Operating profit		**37,921**	22,225
Finance costs		**(3,404)**	(1,075)
Share of results of associates		**40,737**	(94)
Profit before income tax	7	**75,254**	21,056
Income tax expense	8	**(4,636)**	(1,839)
Profit for the year from continuing operations		**70,618**	19,217
Discontinued operations			
Profit for the year from discontinued operations	9	**—**	255,651
Profit for the year		**70,618**	274,868
Other comprehensive income/(loss), including reclassification adjustment			
Fair value adjustment upon transfer of owner-occupied properties to investment property		**22,353**	—
Release of translation reserve upon disposal of subsidiaries		**—**	(32,228)
Exchange gain on translation of financial statements of foreign operations		**862**	7,242
Other comprehensive income/(loss) for the year, including reclassification adjustments and net of tax		**23,215**	(24,986)
Total comprehensive income for the year		**93,833**	249,882

	Notes	2012 HK$'000	2011 HK$'000
Profit for the year attributable to:			
Owners of the Company		**70,620**	255,663
Non-controlling interests		**(2)**	19,205
		70,618	274,868
Total comprehensive income attributable to:			
Owners of the Company		**93,835**	237,790
Non-controlling interests		**(2)**	12,092
		93,833	249,882
Earnings per share from continuing operations attributable to owners of the Company during the year	*11*		
Basic (HK cents)		**4.39**	1.27
Diluted (HK cents)		**4.37**	1.26
Earnings per share from discontinued operations attributable to owners of the Company during the year	*11*		
Basic (HK cents)		**—**	14.61
Diluted (HK cents)		**—**	14.52
Earnings per share attributable to owners of the Company during the year — continuing and discontinued operations	*11*		
Basic (HK cents)		**4.39**	15.88
Diluted (HK cents)		**4.37**	15.78

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,652**	8,349
Investment property		**29,000**	—
Interests in associates		**408,464**	400,999
Intangible assets		**29,994**	11,765
Deposits for land use right		**14,326**	—
		484,436	421,113
Current assets			
Inventories		**586**	13,980
Accounts and bills receivable	*12*	**59,126**	71,431
Deposits, prepayments and other receivables		**25,100**	155,458
Amounts due from associates		**50,011**	146,172
Derivative financial assets		**4,019**	1,291
Treasury products at fair value through profit or loss		**161,032**	—
Tax recoverable		**103**	—
Pledged bank deposits		**90,008**	76,455
Cash and cash equivalents		**58,532**	9,506
		448,517	474,293
Non-current assets held for sale		**—**	9,692
Total current assets		**448,517**	483,985
Current liabilities			
Bank borrowings		**256,071**	135,505
Accounts and bills payable	*13*	**4,992**	20,256
Amount due to an associate		**—**	3,000
Accrued expenses and other payables		**5,442**	15,257
Tax payable		**6,969**	16,892
Derivative financial liabilities	*14*	**53,704**	106,838
		327,178	297,748

	2012	2011
	HK$'000	*HK$'000*
Net current assets	**121,339**	186,237
Total assets less current liabilities	**605,775**	607,350
Non-current liabilities		
Deferred tax liabilities	**1,192**	—
Net assets	**604,583**	607,350
EQUITY		
Share capital	**16,100**	16,100
Reserves	**588,489**	591,254
Equity attributable to owners of the Company	**604,589**	607,354
Non-controlling interests	**(6)**	(4)
Total equity	**604,583**	607,350

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and, its principal place of business is 2904 & 2906, Tower One, Lippo Centre, 89 Queensway, Central, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

The principal activity of the Company is investment holding. The principal activities of the Group include trading pharmaceutical and health care products, research and development of chemical and biological products and investment and treasury function.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statement of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial statements have been prepared under historical cost convention except for investment property, treasury products at fair value through profit or loss and derivative financial assets and liabilities, which are stated at fair value.

The accounting policies used in preparing the consolidated financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 March 2011 with the addition of certain standards and interpretations of HKFRSs issued and which became effective in the current year or were early adopted by the Group as described below.

3. ADOPTION OF NEW OR AMENDED HKFRSs

(a) Adoption of new/revised HKFRSs — effective 1 April 2011

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2011:

HKAS 24 (Revised)	Related Party Disclosures
HKFRSs (Amendments)	Improvements to HKFRSs 2010

Except as explained below, the adoption of these new/revised standards and interpretations has no material impact on the Group's financial statements.

HKAS 24 (Revised) Related Party Disclosures

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with government entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standards. The Group has reassessed the identification of its related parties in accordance with the revised definition to include transactions with subsidiaries of the Group's associates and to exclude transactions with entities which are significantly influenced by members of the Group's key management personnel. The adoption of the revised standard has no impact on the financial position or performance of the Group.

Improvements to HKFRSs 2010

In May 2010, the HKICPA issued "Improvements to HKFRSs 2010" which sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. The adoption of some of the amendments resulted in changes in accounting policies, although none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

(i) *HKFRS 3 Business Combinations*

As part of the Improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests at either fair value or the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS. The Group has amended its accounting policies for measuring non-controlling interests but the adoption of the amendment has had no impact on the Group's financial statements as no business combination took place during the year.

(ii) *HKAS 1 Presentation of Financial Statements*

The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elected to present the analysis of each component of other comprehensive income in the statement of changes in equity.

(b) Early adoption of Amendments to HKAS 12 Deferred Tax — Recovery of Underlying Assets

Amendments to HKAS 12 Deferred Tax — Recovery of Underlying Assets

The Group has decided to early adopt the amendments to HKAS 12 Deferred Tax — Recovery of Underlying Asset, in respect of the recognition of deferred tax on investment property at fair value.

The amendments to HKAS 12 introduced an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. Currently HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of assets through use or sale. The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments are applied retrospectively.

As at 31 March 2012, the Group has investment property amounting to HK$29,000,000 (2011: Nil), representing its fair value at that date in accordance with the Group's policy. The Group's investment property is situated in Hong Kong. In Hong Kong, land leases are generally expected to be renewed without a payment of a market-based premium and this expectation is reflected in the market price of properties in Hong Kong. In addition, the Group does not have the business model of holding investment property until the land leases expire. Given this, the directors of the Company assessed that the Group would not consume substantially all of the economic benefits embodied in the investment property over time. Consequently, as requirement of the amendments to HKAS 12, the Group measured the deferred tax relating to the Group's investment property as if this new policy had always been applied. There is no major tax consequence in Hong Kong of a sale of the investment property as there is currently no capital gain tax in Hong Kong.

The change in accounting policy has been applied retrospectively. However, as the Group did not have any investment property as at 31 March 2011, the adoption of the amendments to HKAS 12 has had no impact of the reported profit or loss, total comprehensive income, financial position and equity of the Group as at 31 March 2011. Accordingly, no additional statement of financial position as at 1 April 2010 is presented.

The adoption of the amendments to HKAS 12 has resulted in a reduction in the amount of deferred tax liabilities arising from the fair value change as follows:

	2012 ***HK$'000***
Consolidated statement of financial position	
Increase in equity — Asset revaluation reserve	**4,204**
Decrease in deferred tax liabilities	**(4,204)**

(c) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income[2]
Amendments to HKAS 32	Presentation — Offsetting Financial Assets and Financial Liabilities[4]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[3]
HKAS 19 (2011)	Employee Benefits[3]
HKAS 27 (2011)	Separate Financial Statements[3]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[3]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurements[3]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 July 2012
3 Effective for annual periods beginning on or after 1 January 2013
4 Effective for annual periods beginning on or after 1 January 2014
5 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 Disclosure — Transfer of Financial Assets

The amendments to HKFRS 7 improve the derecognition disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKAS 1 (Revised) Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 Financial Instruments

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains and losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option. For these fair value option liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the fair value option are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues apply. The Group expects to adopt HKFRS 9 from 1 April 2015.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 11 Joint Arrangements

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC) — Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 Fair Value Measurements

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS *7 Financial Instruments: Disclosures*. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors of the Company are not net in a position to quantify the effects on the Group's financial statements.

4. REVENUE

The Group's principal activities are disclosed in note 1 to these financial statements. Turnover of the Group is the revenue derived from these activities.

	2012	2011
	HK$'000	*HK$'000*
Continuing operations		
Trading of pharmaceutical and health care products	**203,787**	175,309
Discontinued operations *(note 9)*		
Manufacturing of pharmaceutical products	—	347,619
Distributions	—	195,725
Pharmaceutical bulk materials	—	3,953
	—	547,297
	203,787	722,606

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

For the year ended 31 March 2012, the Group has identified the following reportable segments:

(i) Trading pharmaceutical and health products — Trading of pharmaceutical and health care products

(ii) Research and development — Research and development of chemical and biological products

(iii) Investments and treasury function — Investment holding and treasury function

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

Previously, the Group identified the following reportable segments:

(i) Pharmaceutical products — Manufacturing and sale of pharmaceutical products

(ii) Trading pharmaceutical and health products — Trading of pharmaceutical and health care products

(iii) Distributions — Distributions of pharmaceutical products

(iv) Pharmaceutical bulk materials — Manufacturing and sale of pharmaceutical bulk materials

During the year ended 31 March 2011, certain operations including (i) Manufacturing of pharmaceutical products, (ii) Distributions; and (iii) Pharmaceutical bulk materials were discontinued as a result of disposal of certain subsidiaries. In addition, during the year ended 31 March 2012, the management has reassessed and changed the information reported internally for the purposes of resources allocation and assessment of business performance. As a result, the reportable segments have changed in the current year and certain comparative figures in the segment information for the year ended 31 March 2011 have been restated on a similar basis.

The segment information reported below does not include any amounts for the discontinued operations, which are described in more detail in note 9.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

— expenses related to share-based payments
— fair value gain or loss on put options and gain on derecognition of profit guarantee
— share of profit or loss of associates accounted for using the equity method
— finance costs incurred on corporate borrowings
— income tax
— corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but exclude interests in associates. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment such as the Group's headquarters.

Segment liabilities exclude derivative financial liabilities in relation to put options and profit guarantees. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment. These include tax payable and deferred tax liabilities.

No asymmetrical allocations have been applied to reportable segments.

Segment revenue, segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reconciliations to revenue, profit before income tax and discontinued operations, total assets, total liabilities and other segment information are as follows:

	Continuing operations					
	Trading pharmaceutical and health products	Research and development	Investment and treasury function	Sub-total	Elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2012						
Reportable segment revenue	203,787	—	—	203,787	—	203,787
Reportable segment profit/(loss)	28,930	(1,680)	4,395	31,645	900	32,545
Gain on derecognition of profit guarantee						3,289
Fair value gain on put option						24,252
Impairment of other receivables						(20,211)
Finance costs on corporate borrowings						(1,805)
Share of results of associates						40,737
Unallocated corporate income						3,863
Unallocated corporate expenses						(7,416)
Profit before income tax and discontinued operations						75,254

	Trading pharmaceutical and health products	Research and development	Investment and treasury function	Corporate	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other information					
Interest income	82	220	—	449	751
Finance costs	—	—	(1,599)	(1,805)	(3,404)
Depreciation of property, plant and equipment	(415)	(248)	—	—	(663)
Fair value loss on treasury products at fair value through profit or loss	—	—	(428)	—	(428)
Fair value gain/(loss) on other derivative financial instruments not qualifying as hedges, net	(159)	—	4,178	—	4,019
Additions to specified non-current asset[#]	809	18,963	—	—	19,772

	Trading pharmaceutical and health products *HK$'000*	Research and development *HK$'000*	Investment and treasury function *HK$'000*	Total *HK$'000*
As at 31 March 2012				
Reportable segment assets	**153,415**	**55,817**	**257,416**	**466,648**
Interests in associates				**408,464**
Tax recoverable				**103**
Other corporate assets				**57,738**
Consolidated total assets				**932,953**
As at 31 March 2012				
Reportable segment liabilities	**10,353**	**—**	**97,821**	**108,174**
Derivative financial liabilities — Put option				**53,704**
Tax payables				**6,969**
Deferred tax liabilities				**1,192**
Other corporate liabilities				**158,331**
Consolidated total liabilities				**328,370**

	Continuing operations					
	Trading pharmaceutical products *HK$'000* (Restated)	**Research and development** *HK$'000* (Restated)	**Investment and treasury function** *HK$'000* (Restated)	**Sub-total** *HK$'000* (Restated)	**Elimination** *HK$'000* (Restated)	**Total** *HK$'000* (Restated)
For the year ended 31 March 2011						
Reportable segment revenue	175,309	—	—	175,309	—	175,309
Reportable segment profit/(loss)	27,709	(1,675)	1,291	27,325	1,200	28,525
Share-based payment expense						(4,551)
Finance costs on corporate borrowings						(1,075)
Share of results of associates						(94)
Unallocated corporate expenses						(1,749)
Profit before income tax for the year and discontinued operations						21,056

	Trading pharmaceutical and health products *HK$'000* (Restated)	Research and development *HK$'000* (Restated)	Investment and treasury function *HK$'000* (Restated)	Corporate *HK$'000* (Restated)	Total *HK$'000* (Restated)
Other information					
Interest income	78	—	—	1	79
Depreciation of property, plant and equipment	209	75	—	—	284
Additions to non-current segment assets#	3	11,867	—	—	11,870

	Trading pharmaceutical and health products *HK$'000* (Restated)	Research and development *HK$'000* (Restated)	Investment and treasury function *HK$'000* (Restated)	Total *HK$'000* (Restated)
As at 31 March 2011				
Reportable segment assets	110,468	16,183	77,746	204,397
Interests in associates				400,999
Non-current assets held for sale				9,692
Other corporate assets				290,010
Consolidated total assets				**905,098**
As at 31 March 2011				
Reportable segment liabilities	33,978	482	77,755	112,215
Derivative financial liabilities — Put option and profit guarantee				106,838
Tax payables				16,892
Other corporate liabilities				61,803
Consolidated total liabilities				**297,748**

Including the Group's property, plant and equipment, investment property, intangible assets, deposit for land use right and interests in associates but excluding deferred tax assets

Geographical information

The Group's revenue is predominantly derived from the PRC. An analysis of the Group's property, plant and equipment, investment property, intangible assets, deposit for land use right and interest in associates (i.e. non-current segment assets) by geographical locations, determined based on physical location of the assets or location of operations in case of interests in associates, is as follows:

	2012	2011
	HK\$'000	*HK\$'000*
Hong Kong (place of domicile)	**59,680**	38,348
Macau	**1**	2
The PRC (excluding Hong Kong and Macau)	**424,755**	382,763
	484,436	421,113

Information about major customers

During the year ended 31 March 2012, the Group had two (2011: two) customers with whom transactions of each has exceeded 10% of the Group's revenue. The revenue of HK\$148,943,000 (2011: HK\$139,625,000) and HK\$31,639,000 (2011: HK\$91,024,000) from these two customers accounted for 73% (2011: 19%) and 16% (2011: 13%) respectively of the Group's revenue for the year. The second largest customer for the year ended 31 March 2012, who contributed 16% of the Group's revenue for the year, is an associate of the Group.

As at 31 March 2012, accounts and bills receivable due from the largest customer accounted for 93% of the Group's total accounts and bills receivable balances while the balances due from the second largest customer, which is an associate of the Group were included in "amounts due from associates". As at 31 March 2011, total accounts and bills receivable due from the two customers accounted for 98% of such balances. The sales to these two customers (2011: two customers) are included in the segment of trading of pharmaceutical and health care products.

6. OTHER INCOME

	Continuing operations	
	2012	2011
	HK\$'000	*HK\$'000*
Interest income on bank deposits	**2,374**	79
Interest income on loans to associates	**411**	—
Exchange gain, net	**8,628**	—
Fair value gain on derivative financial instruments not qualifying as hedges, net	**4,019**	1,291
Gain on disposal of property, plant and equipment	**73**	—
Rental income	**210**	—
Others	**533**	360
	16,248	1,730

7. PROFIT BEFORE INCOME TAX

	Continuing operations	
	2012	2011
	HK$'000	*HK$'000*
Profit before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	**600**	770
Costs of inventories recognised as expense, including	**168,472**	127,095
— Write off of inventories	**5,834**	—
Depreciation of property, plant and equipment *(note)*	**663**	284
Employee benefit expenses (including directors' emoluments)	**8,703**	14,411
Exchange (gain)/loss, net	**(8,628)**	4,538
Gain on derecognition of profit guarantee	**(3,289)**	—
Fair value gain on put option	**(24,252)**	—
Fair value losses on treasury products at fair value through profit or loss	**428**	—
Fair value gain on derivative financial instruments not qualifying as hedges	**(4,019)**	(1,291)
Gain on disposal of property, plant and equipment	**(73)**	—
Impairment loss on other receivables	**20,211**	—
Operating lease charges in respect of premises	**2,919**	2,918
Research and development costs *(note)*	**1,092**	280

Note:

(a) Depreciation expense and research and development costs are included in "Administrative expenses" in the consolidated statement of comprehensive income for the years ended 31 March 2012 and 2011.

(b) Impairment of other receivables for the year ended 31 March 2012 comprises of the followings:

— impairment provision of HK$10,000,000 provided for the consideration receivable from Longchang Industrial Co. Ltd.（山西繁峙縣龍昌實業有限責任公司）("Longchang") . As at 31 March 2012, the consideration from Longchang was HK$22,013,000, which was secured by 10% equity interest of a PRC entity and personal guarantee provided by a shareholder of Longchang. Based on impairment assessment, the management determined that HK$10,000,000 (2011: Nil) of the balance is unlikely to be recovered and impairment provision was provided for accordingly;

— impairment provision of HK$4,692,000 provided for the consideration receivable from disposal of interests in Leader Forever Limited, an former associate of the Group and was classified as "non-current assets held for sale" as at 31 March 2011.

— impairment provision of HK$5,519,000 provided for other receivables. Based on impairment assessment, the management determined that the balances are unlikely to be recovered and impairment provision was provided for in the year.

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year.

Enterprise Income Tax ("EIT") has been provided on the estimated assessable profits of subsidiaries operating in PRC at 25% (2011: 25%).

For the year ended 31 March 2012, a former subsidiary of the Group, which was disposed of and become an associate of the Group since 30 March 2011, is entitled to preferential PRC EIT rate of 15% in accordance with the continuous implementation of the Western Development tax preferential policies pursuant to the New PRC Income Tax Law which was renewed on 31 March 2011.

	Continuing operations	
	2012	2011
	HK$'000	*HK$'000*
Current tax		
— Hong Kong		
Tax for the year	**1,532**	1,839
Under-provision in respect of prior years	**227**	—
	1,759	1,839
— PRC — Tax for the year	**1,685**	—
Deferred tax		
Current year	**1,192**	—
	4,636	1,839

Reconciliation between tax expense and accounting profit at applicable tax rates:

	Continuing operations	
	2012	2011
	HK$'000	*HK$'000*
Profit before income tax	**75,254**	21,056
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	**12,442**	1,137
Tax effect of non-deductible expenses	**16,768**	1,522
Tax effect of non-taxable revenue	**(25,888)**	(1,051)
Tax effect of prior year's tax losses utilised	**(51)**	—
Tax effect of temporary differences not recognised	**364**	(278)
Others	**(201)**	509
Deferred tax provided for withholding tax on distributable profits of an PRC associate	**975**	—
Under provision in prior years	**227**	—
Income tax expense	**4,636**	1,839

9. DISCONTINUED OPERATIONS

In early 2011, Kunming Jida Pharmaceutical Company Limited ("KJP") had placed and issued 30% of its equity to strategic investors, and also reorganised its business in the PRC by acquiring the Company's wholly-owned subsidiaries, Yunnan Jiwa Pharm Logistics Company Limited ("YJPL") and Jiangsu Jiwa Rintech Pharmaceutical Company Limited ("JJRP") into the PRC pharmaceutical business structure that is headed by KJP (the "Jida Group").

Before the reorganisation, KJP, JJRP and YJPL were subsidiaries of the Group in which the Group held 70%, 100% and 100% of their registered capital respectively. The reorganisation generated direct proceeds of RMB100,100,000, to the Group, with KJP, YJPL and JJRP (collectively the "Discontinued Operations") becoming a 49%-owned associated company of the Company from 30 March 2011.

The results from the Discontinued Operations for the period from 1 April 2010 to 30 March 2011 are presented below:

	Period from 1 April 2010 to 30 March 2011 *HK$'000*
Revenue *(note 1)*	547,297
Cost of sales	(260,201)
Gross profit	287,096
Other income	4,663
Selling expenses	(159,661)
Administrative expenses	(54,162)
Finance costs	(3,973)
Profit before income tax	73,963
Income tax expense	(12,177)
Profit after income tax	61,786
Gain on disposal of subsidiaries	209,150
Capital gain tax on disposal of subsidiaries	(15,285)
Profit from discontinued operations	255,651

The net cash flows incurred by the Discontinued Operations for the period from 1 April 2010 to 30 March 2011 are presented below:

	Period from 1 April 2010 to 30 March 2011
	HK$'000
Operating activities	340,673
Investing activities	(35,992)
Net cash inflow	304,681

Subsequent to 30 March 2011, the Group continued to maintain an interest in the Discontinued Operations by virtue of its 49% interest in the KJP.

10. DIVIDENDS

(a) Dividends attributable to the year

	2012	2011
	HK$'000	*HK$'000*
Final dividend proposed after the reporting date of HK$0.021 per share (2011: HK$0.060 per share)	**33,810**	96,600

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of the retained profits for the year ended 31 March 2012.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2012	2011
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year of HK$0.060 per share (2011: HK$0.013 per share)	**96,600**	20,930

11. EARNINGS PER SHARE

The calculations of the basic earnings per share and diluted earnings per share from continuing and discontinued operations attributable to owners of the Company are based on the following data:

	From continuing operations *HK$'000*	From discontinued operations *HK$'000*	Total *HK$'000*
Earnings			
For the year ended 31 March 2012			
Earnings used in calculating basic earnings per share and diluted earnings per share attributable to owners of the Company during the year	**70,620**	**—**	**70,620**
For the year ended 31 March 2011			
Earnings used in calculating basic earnings per share and diluted earnings per share attributable to owners of the Company during the year	20,463	235,200	255,663

	2012 ***HK$'000***	2011 *HK$'000*
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,610,000**	1,610,000
Effective of dilutive potential ordinary shares — Share options issued by the Company	**7,652**	10,018
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,617,652**	1,620,018

12. ACCOUNTS AND BILLS RECEIVABLE — GROUP

	2012 ***HK$'000***	2011 *HK$'000*
Accounts receivable	**59,126**	71,431

The directors of the Company considered that the fair values of accounts and bills receivable are not materially different from their carrying amounts because these amounts have short maturity periods at their inception.

The Group generally allows a credit period of 30 days to 180 days (2011: 30 days to 180 days) to its trade customers. Based on invoice date, the ageing analysis of the Group's accounts and bills receivable is as follows:

	2012	2011
	HK$'000	*HK$'000*
Within 3 months	**15**	37,427
Over 3 months but less than 6 months	**57,933**	18,662
Over 6 months	**1,178**	15,342
	59,126	71,431

At each reporting date, the Group first assesses whether objective evidence of impairment exists individually for accounts and bills receivable that are individually significant, and individually or collectively for accounts and bills receivable that are not individually significant. The Group also assesses collectively for accounts and bills receivable with similar credit risk characteristics for impairment. The impaired receivables, if any, are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision is recognised if the amount is determined to be irrecoverable. Based on impairment assessment, no impairment loss was recognised for the Group's accounts receivable for the years ended 31 March 2012 and 2011.

The Group did not hold any collateral as security or other credit enhancements over the accounts and bills receivable, whether determined on an individual or collective basis.

The ageing analysis of the Group's accounts and bills receivable that were past due as at the reporting dates but not impaired, based on due date is as follows:

	2012	2011
	HK$'000	*HK$'000*
Past due and not impaired		
Not more than 1 month past due	—	12,507
Over 1 month but less than 6 months past due	**1,242**	3,070
	1,242	15,577

As at 31 March 2012, accounts and bills receivable of HK$57,884,000 (2011: HK$55,854,000) were neither past due nor impaired. These related to a number of customers from whom there was no recent history of default.

Accounts and bills receivable that were past due but not impaired relate to customers that had a good track record of credit with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. ACCOUNTS AND BILLS PAYABLE — GROUP

An ageing analysis of accounts and bills payable is as follows:

	2012	2011
	HK$'000	*HK$'000*
Accounts payable		
Within 3 months	—	8,700
Over 3 months but within 6 months	—	—
Over 6 months	—	479
	—	9,179
Bills payable	**4,992**	11,077
	4,992	20,256

Accounts and bills payable are non-interest bearing. All of the above balances are expected to be settled within one year.

The fair values of the Group's accounts and bills payable at 31 March 2012 and 2011 approximate to their corresponding carrying amounts due to their short-term maturities.

14. DERIVATIVE FINANCIAL LIABILITIES

	2012	2011
	HK$'000	*HK$'000*
Fair value of profit guarantee *(note (a))*	—	28,882
Fair value of put option *(note (b))*	**53,704**	77,956
	53,704	106,838

Notes:

(a) Pursuant to the terms of the capital injection (the "Capital Injection") in relation to the disposal of the subsidiaries as detailed in notes 9, the Group would compensate the independent subscribers for any shortfall if there was non-compliance of the profit guarantee. Accordingly, the management of the Company applied discounted cash flow for fair value calculation of the possible compensation by reference with the agreed mechanism at HK$28,882,000 on initial recognition and as at 31 March 2011.

During the year ended 31 March 2012, the Group write back the over-provision of tax provided in relation to the disposal of subsidiaries amounted to HK$6,048,000. In addition, the Group acquired certain property, plant and equipment and inventories and took up certain prepayments and other receivables balances from KJP and JJRP at aggregate consideration of HK$31,641,000. These assets were later fully written off by the Group. In the opinion of the management, these amounts were incurred by the Group in connection with the profit guarantee arrangement and accordingly, these amounts are adjusted against the carrying value of the profit guarantee. As at 31 March

2012, the profit guarantee period expired and accordingly, the Group derecognised the financial liability in relation to profit guarantee and recognised the corresponding balance in the amount of HK$3,289,000 in "Other gains/(losses)— Gain on derecognition of profit guarantee".

(b) In connection with the Capital Injection, the Group and the subscribers entered into agreements, pursuant to which put options were granted to the subscribers. The Group had obligations to purchase the equity interests from the subscribers upon exercise of the options by the subscribers if KJP does not obtain a listing on a stock exchange within 48 months from the completion date of Capital Injection. Each of the subscribers may, within 6 months from the expiry of such 48 months, request the Group to purchase the subscribers' interest in KJP, plus a compound interest of 10% per annum thereon. The put option was valued by an independent valuer, Roma Appraisals Limited , using Black-Scholes Option Pricing Model.

On initial recognition and as at 31 March 2011, the fair value of the put option was HK$77,956,000.

As at 31 March 2012, the fair value of the put option is HK$53,704,000 and the Group recognised the change in fair value amounted to HK$24,252,000 in profit or loss under "Other gains/(losses)— Fair value gain on put option".

EMPLOYMENT REMUNERATION POLICY

As at 31 March 2012, the Group had approximately 25 employees. The Group's remuneration policies are in line with prevailing market practice and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds and medical schemes. The Company may also grant options to eligible employees under its share option scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE PRACTICES

The Board considers that good corporate governance practices are crucial to the effective management of the Group. The Company is committed to the transparency, accountability and independence highlighted by the principles of the Code Provisions in accordance with the "Code on Corporate Governance Practices" (the "CG Code") as set out in Appendix 14 of the Listing Rules to protect the rights of shareholders and stakeholders, enhance shareholder value and ensure proper management of corporate assets.

The Board is of the opinion that during the financial year ended 31 March 2012, the Company had applied the CG Code as set out in the Listing Rules.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code of Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. On specific enquiries made, all directors have confirmed that, for the year ended 31 March 2012, they have complied with the required standard set out in the Model Code and the Own Code.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management, the consolidated statements for the year ended 31 March 2012 including the accounting principles and practices adopted by the Group.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2012 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2012 Annual General Meeting of the Company will be held at 10:00 a.m. on 6 July 2012 (Friday) at Room 3, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong and a notice of annual general meeting will be published and dispatched in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 13 July 2012 (Friday) to 17 July 2012 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 12 July 2012 (Thursday).

APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation for all staff of the Group for their excellent contribution, thank our shareholders for their trust and acknowledge our business partners for their support.

By Order of the Board
Jiwa Bio-Pharm Holdings Limited
Lau Kin Tung
Vice Chairman and Executive Director

Hong Kong, 24 May 2012

As at the date of this announcement, the Board comprises of three executive directors, namely Mr. Lau Yau Bor, Mr. Lau Kin Tung and Madam Chan Hing Ming, and three independent non-executive director, namely Mr. Chiu Wai Piu, Mr. Choy Ping Sheung and Mr. Fung Tze Wa.