天大藥業有限公司
TIANDA PHARMACEUTICALS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00455)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

HIGHLIGHTS

– Revenues from continuing operations and discontinued operations amounted to HK$180.2 million (FYE2012: HK$97.3 million) and HK$101.8 million (FYE2012: HK$299.9 million) respectively.

– Profit for the year attributable to owners of the Company, including continuing and discontinued operations, amounted to HK$37.7 million (FYE2012: HK$43.1 million).

– The Board of Directors has recommended the payment of a final dividend of HK0.41 cent per share.

The board of directors of Tianda Pharmaceuticals Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2013, together with comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	NOTES	**2013** **HK$**	2012 HK$
Continuing operations			
Revenue	4	**180,213,975**	97,276,705
Cost of sales		**(56,181,034)**	(24,805,834)
Gross profit		**124,032,941**	72,470,871
Other income		**6,857,835**	7,322,384
Other gains and losses		**2,683,303**	1,322,188
Distribution and selling expenses		**(28,258,018)**	(1,359,973)
Administrative expenses		**(39,969,473)**	(19,401,138)
Research and development costs		**(2,489,689)**	(1,538,579)
Profit before tax		**62,856,899**	58,815,753
Income tax expense	5	**(12,097,888)**	(14,847,303)
Profit for the year from continuing operations		**50,759,011**	43,968,450
Discontinued operations			
Profit for the year from discontinued operations		**16,936,760**	35,561,171
Profit for the year		**67,695,771**	79,529,621
Other comprehensive income			
Exchange difference arising on translation		**7,915,721**	15,594,293
Reclassification upon disposal of subsidiaries and an associate		**(5,036,086)**	–
Other comprehensive income for the year		**2,879,635**	15,594,293
Total comprehensive income for the year		**70,575,406**	95,123,914

	NOTES	**2013**	2012
		HK$	*HK$*
Profit for the year attributable to:			
Profit for the year attributable to the owners of the Company			
– Profit for the year from continuing operations		**24,375,141**	19,315,653
– Profit for the year from discontinued operations		**13,364,921**	23,779,942
Profit for the year attributable to the owners of the Company		**37,740,062**	43,095,595
Profit for the year attributable to non-controlling interests			
– Profit for the year from continuing operations		**26,383,870**	24,652,797
– Profit for the year from discontinued operations		**3,571,839**	11,781,229
Profit for the year attributable to non-controlling interests		**29,955,709**	36,434,026
		67,695,771	79,529,621
Total comprehensive income for the year attributable to:			
Owners of the Company		**39,345,859**	52,468,500
Non-controlling interests		**31,229,547**	42,655,414
		70,575,406	95,123,914
		HK cents	*HK cents*
Basic earnings per share	*6*		
From continuing and discontinued operations		**2.02**	2.30
From continuing operations		**1.30**	1.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2013

	NOTES	2013 HK$	2012 HK$
NON-CURRENT ASSETS			
Property, plant and equipment		**117,967,780**	21,998,297
Prepaid lease payments		**90,761,957**	3,922,633
Goodwill		**109,062,595**	6,587,152
Intangible assets		**98,765,832**	–
Rental deposit		**1,378,684**	1,378,684
Deposit for acquisition of property, plant and equipment		**7,202,187**	–
		425,139,035	33,886,766
CURRENT ASSETS			
Inventories		**33,309,688**	7,846,402
Trade and bills receivables and other receivables	7	**27,130,041**	4,469,252
Prepaid lease payments		**3,153,484**	97,530
Bank deposits		**243,456,573**	322,548,263
Bank balances and cash		**182,682,184**	89,594,058
		489,731,970	424,555,505
Disposal groups classified as held-for-sale		**–**	549,402,661
		489,731,970	973,958,166
CURRENT LIABILITIES			
Trade and other payables	8	**55,025,764**	12,787,102
Government grants – current portion		**370,696**	365,823
Amounts due to related companies	9	**926,236**	–
Dividend payable to non-controlling shareholders		**28,016,609**	–
Tax payable		**11,363,415**	7,222,354
		95,702,720	20,375,279
Liabilities associated with disposal groups classified as held-for-sale		**–**	114,602,492
		95,702,720	134,977,771
NET CURRENT ASSETS		**394,029,250**	838,980,395
TOTAL ASSETS LESS CURRENT LIABILITIES		**819,168,285**	872,867,161

	NOTES	2013 HK$	2012 HK$
NON-CURRENT LIABILITIES			
Government grants – non-current portion		**926,740**	1,280,382
Deferred tax liabilities		**43,041,855**	1,641,120
		43,968,595	2,921,502
		775,199,690	869,945,659
CAPITAL AND RESERVES			
Share capital		**187,011,816**	187,011,816
Reserves		**550,983,457**	497,255,269
Amounts recognised in other comprehensive income and accumulated in equity relating to disposal groups classified as held-for-sale		**–**	18,690,228
Equity attributable to owners of the Company		**737,995,273**	702,957,313
Non-controlling interests		**37,204,417**	166,988,346
Total equity		**775,199,690**	869,945,659

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited ("SEHK"). Its ultimate holding company is Tianda Group Limited ("Tianda Group"), a private limited company incorporated in Hong Kong, which is ultimately controlled by Mr. FANG Wen Quan. Its name was changed from "Tianda Holdings Limited 天大控股有限公司" to "Tianda Pharmaceuticals Limited 天大藥業有限公司" with effect from 3 September 2012.

The functional currency of the Company is Renminbi ("RMB"). As the shares of the Company are listed in the SEHK, for the convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars, the presentation currency for the consolidated financial statements.

On 30 March 2012, the Company entered into five sale and purchase agreements ("Asset Swap Agreement") with Tianda Group to dispose of its mineral resources business and packaging and printing business in exchange for business relating to manufacture and sales of pharmaceutical and biotechnology products ("Asset Swap"), so as to realign the Group's business focus and resources in the pharmaceutical and biotechnology business in line with the Group's latest business strategy. The transaction was approved by independent shareholders of the Company on 22 June 2012 and the transaction has been completed on 31 August 2012.

On 6 March 2013, Tianda Pharmaceuticals (Australia) Pty Limited (the "Tianda Australia"), an indirectly wholly owned subsidiary of the Company, has entered into an acquisition agreement with independent third parties ("Cynergy Group") for acquisition of a business. The transaction has been completed on 12 March 2013.

In preparing the Group's annual financial statements for the year ended 31 March 2012, the assets and liabilities attributable to the mineral resources business and packaging and printing business had been classified as disposal groups held-for-sale and were presented separately in the consolidated statement of financial position as at 31 March 2012. Profit/loss for the years ended 31 March 2013 and 2012 from the mineral resources business and packaging and printing business have been presented as profit for the year from discontinued operations and are presented separately in the consolidated statement of comprehensive income.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRS 7 Disclosures – Transfers of Financial Assets

The Group has applied for the first time the amendments to HKFRS 7 "Disclosures – Transfers of Financial Assets" in the current year. The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

The Group endorsed bills receivables to suppliers to exchange for goods from those suppliers which transferred the contractual rights to receive cash flows from those bills receivables to the respective suppliers on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the receivables, and the associated trade payables.

The relevant disclosures have been made regarding the transfer of these bills receivables on application of the amendments to HKFRS 7. In accordance with the transitional provisions set out in the amendments to HKFRS 7, the Group has not provided comparative information for the disclosures required by the amendments.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised standards, amendments and interpretation that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle[2]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[3]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 March 2016. The adoption of this standard is unlikely to have a significant impact on the Group's results of operations and financial positions.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

With regards to the consolidated financial statements of the Group, the key requirements of HKFRS 10 and HKFRS 12 are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC) – Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of these standards is not expected to have a material impact on the results and financial position of the Group. The application of HKFRS 12 will result in more extensive disclosures relating to non-controlling interests of the Company's subsidiaries in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group's annual period beginning 1 April 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied.

HK(IFRIC) – Int 20 Stripping Costs in the Production Phase of a Surface Mine

HK(IFRIC) – Int 20 *Stripping Costs in the Production Phase of a Surface Mine* applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with HKAS 2 *Inventories*. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

HK(IFRIC) – Int 20 is effective for the Group for annual period beginning on 1 April 2013. Specific transitional provisions are provided to entities that apply HK(IFRIC) – Int 20 for the first time. However, HK(IFRIC) – Int 20 must be applied to production stripping costs incurred on or after the beginning of the earliest period presented. The directors assessed that the application of the amendments will have no material impact on the Group's consolidated financial statements.

The directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the managing director of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and assessment of segment performance focuses on the types of goods delivered. Before the completion of the Asset Swap, the Group had three operating and reportable segments: pharmaceutical and biotechnology business, mineral resources business as well as packaging and printing business.

As explained in note 1, the mineral resources business and packaging and printing business were classified as discontinued operations during the year ended 31 March 2012. Upon completion of the Asset Swap in current year, the Group focuses on pharmaceutical and biotechnology business and the CODM reviews the financial performance of this business as a whole for allocating resources and assessing performance. Since then, the Group has only one operating segment. In addition, the CODM is of the opinion that the presentation of assets and liabilities in accordance with the operating segments is not meaningful as the management can monitor the Group's assets and liabilities in one pool which is more efficient and effective. The segment information reported below does not include any amounts for those discontinued operations.

Other than the revenue analysis as set out in note 4(e), no operating results and other discrete financial information relating to major products is prepared regularly for internal reporting to the CODM for resources allocation and performance assessment.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations.

	2013	2012
	HK$	*HK$*
REVENUE – EXTERNAL	**180,213,975**	97,276,705
SEGMENT PROFIT	**59,018,735**	52,175,370
Other income	**3,529,762**	3,891,645
Other gains and losses	**3,163,155**	670,357
Unallocated expenses	**(14,952,641)**	(12,768,922)
Profit for the year from continuing operations	**50,759,011**	43,968,450

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment profit represents the profit after taxation earned by the segment without allocation of central administration costs, directors' salaries, certain other income, and other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Other segment information

	2013		
	Pharmaceutical and biotechnology business	**Unallocated**	**Total**
	HK$	***HK$***	***HK$***
Amount included in the measure of segment profit or loss or segment assets			
Additions of property, plant and equipment	**2,870,518**	**3,293,691**	**6,164,209**
Depreciation of property, plant and equipment	**3,806,116**	**325,346**	**4,131,462**
Amortisation of prepaid lease payments	**1,843,728**	**–**	**1,843,728**
Loss (gain) on disposal of property, plant and equipment	**193,564**	**(3,801)**	**189,763**
Interest income	**794,077**	**3,524,671**	**4,318,748**
Income tax	**12,097,988**	**–**	**12,097,988**

	2012		
	Pharmaceutical and biotechnology business	Unallocated	Total
	HK$	*HK$*	*HK$*
Amount included in the measure of segment profit or loss or segment assets			
Additions of property, plant and equipment	1,480,788	43,262	1,524,050
Depreciation of property, plant and equipment	2,420,155	163,766	2,583,921
Amortisation of prepaid lease payments	95,632	–	95,632
Loss on disposal of property, plant and equipment	62,388	713	63,101
Interest income	421,293	3,831,631	4,252,924
Income tax	14,847,303	–	14,847,303

(c) Geographical information

The Group principally operates in Australia, Hong Kong and the People's Republic of China ("PRC") (country of domicile).

The following table provides an analysis of the Group's sales from continuing operations by geographical market based on the location of operations irrespective of the origin of goods/services.

The Group's revenue from external customers from continuing operations and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$	*HK$*	***HK$***	*HK$*
The PRC (country of domicile)	**180,141,982**	97,276,705	**410,332,781**	31,851,266
Hong Kong	**71,993**	–	**5,039,169**	2,035,500
Australia	**–**	–	**13,886,547**	–
	180,213,975	97,276,705	**429,258,497**	33,886,766

(d) Information about major customer

Revenue from a major customer which accounts for 10% or more of the Group's revenue from continuing operations are as follows:

	2013	2012
	HK$	*HK$*
Revenue from customer attributable to pharmaceutical and biotechnology products:		
Company A	**20,606,868**	86,495,860

(e) Revenue from major products

	2013	2012
	HK$	*HK$*
Continuing operations		
Pharmaceutical and biotechnology products		
– Cerebroprotein Hydrolysate for injection	**112,452,240**	88,290,895
– Tuoping (Valsartan capsules)	**28,018,860**	–
– Tuoen (Ibuprofen suspension and drops)	**11,690,349**	–
– Others	**28,052,526**	8,985,810
	180,213,975	97,276,705

5. INCOME TAX EXPENSE

	2013	2012
	HK$	*HK$*
Continuing operations		
Current tax:		
PRC enterprise income tax	**12,213,646**	11,472,436
Withholding tax	**3,424,252**	5,706,472
(Over)underprovision in prior years:		
PRC enterprise income tax	**(1,292,617)**	44,009
Deferred tax:		
Current year	**(2,247,393)**	(2,375,614)
	12,097,888	14,847,303

The Company was incorporated in the Cayman Islands and is not subject to any income tax.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in, or derived from, Hong Kong for both years.

The tax rate of the PRC subsidiaries of the Group is 25%, except Yunnan Meng Sheng Pharmaceutical Co., Limited ("Meng Sheng"), a subsidiary of the Group, which is established in the Kunming economic open zone. Pursuant to the relevant laws and regulations in the PRC, Meng Sheng is engaging in Western China Development and was entitled to a preferential tax rate of 15% for the calendar year 2012. As the preferential tax rate of 15% for the period from 1 January 2012 to 31 March 2012 was only subsequently granted during the year ended 31 March 2013, it resulted in an overprovision of PRC enterprise income tax in prior year. The management considers the preferential tax rate of 15% which is subject to annual review by the relevant government authorities can be eventually granted, thus the PRC enterprise income tax of Meng Sheng is calculated at 15% from 1 January 2013.

The corporate tax rate applicable to the subsidiary of the Company established and operating in Australia is 30% in 2013. No provision for the Australian income tax has been provided as the Group had no taxable profits arising in Australia during the year.

6. BASIC EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$	*HK$*
Earnings		
Earnings for the purpose of basic earnings per share	**37,740,062**	43,095,595
Number of shares		
Number of ordinary shares in issue for the purpose of basic earnings per share	**1,870,118,160**	1,870,118,160

From continuing operations

The calculation of basic earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$	*HK$*
Profit for the year attributable to the owners of the Company	**37,740,062**	43,095,595
Less: profit for the year from discontinued operations	**13,364,921**	23,779,942
Profit for the purpose of basic earnings per share from continuing operations	**24,375,141**	19,315,653

The denominators used are the same as those detailed above for the basic earnings per share from continuing and discontinued operations.

From discontinued operations

The calculation of basic earnings per share from discontinued operations attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$	*HK$*
Profit for the purpose of basic earnings per share from discontinued operations	**13,364,921**	23,779,942
Basic earnings per share from discontinued operations	**0.72 cent**	1.27 cents

The denominators used are the same as those detailed above for the basic earnings per share from continuing and discontinued operations.

No diluted earnings per share is presented as the Company did not have any dilutive shares in issue during both years.

7. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES

	2013	2012
	HK$	*HK$*
Trade and bills receivables	**23,158,958**	1,081,153
Prepayments to suppliers	**1,823,666**	1,360,977
Other receivables, deposits and prepayments	**2,147,417**	2,027,122
Total trade and bills receivables and other receivables	**27,130,041**	4,469,252

As at 31 March 2012, an amount of HK$31,652,040 (comprising (i) trade and bills receivables of HK$22,005,609, (ii) dividends receivable from .-for-sale investments – investments in an investee company and an associate of HK$6,960,242, (iii) prepayments to suppliers of HK$363,595 and (iv) other receivables, deposits and prepayments of HK$2,322,594) has been classified as held-for-sale.

The Group allows a credit period ranging from 30 to 60 days to certain number of its trade customers. The aging analysis of trade and bills receivables including those classified as held-for-sale as at 31 March 2012 is presented based on the invoice date at the end of the reporting date:

	2013	2012
	HK$	*HK$*
Trade receivables		
0 – 60 days	**9,255,770**	10,840,158
Over 60 days	**4,062,308**	12,246,604
	13,318,078	23,086,762
Bills receivables		
Within 60 days	**1,432,498**	–
Over 60 days	**8,408,382**	–
	9,840,880	–
	23,158,958	23,086,762

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits of each customer. Limits attributed to customers are reviewed once a year. All of the trade receivables that are neither past due nor impaired have the best credit quality assessed by the Group.

Included in the Group's trade and bills receivables balance are debtors with an aggregate carrying amount of HK$4,062,308 (2012: HK$12,246,604) which are past due as at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience.

The Group does not hold any collateral over these balances. The average age of these receivables is as follow:

Aging of trade receivables which are past due but not impaired

	2013	2012
	HK$	*HK$*
61 – 90 days	**2,242,320**	5,981,910
Over 90 days	**1,819,988**	6,264,694
	4,062,308	12,246,604

The Group's trade and bills receivables, and other receivables excluding those classified as held-for-sale as at 31 March 2012 denominated in currencies other than the functional currency of the respective group entities are set out below:

	2013	2012
	HK$	*HK$*
AU$	**313,171**	–
HK$	**355,143**	2,861

8. TRADE AND OTHER PAYABLES

	2013	2012
	HK$	*HK$*
Trade payables	**14,768,032**	5,007,193
Deposits received from customers	**12,466,497**	1,662,664
Value added tax payables	**2,941,604**	2,200,787
Other payables and accrued staff cost	**24,849,631**	3,916,458
Total trade and other payables	**55,025,764**	12,787,102

An amount of HK$54,080,186 (comprising (i) trade payables of HK$21,011,617, (ii) note payables of HK$25,998,450, (iii) value added tax payables of HK$2,661,342 and (iv) other payables and accruals of HK$4,408,777) at 31 March 2012 has been classified as held-for-sale.

The following is an analysis of the Group's trade payables including those classified as held-for-sale at the end of the reporting period:

	2013	2012
	HK$	*HK$*
Trade payables *(note)*		
Within 60 days	**12,717,119**	20,255,230
61 – 90 days	**448,915**	1,234,199
Over 90 days	**1,601,998**	4,529,381
	14,768,032	26,018,810
Note payables		
Within 60 days	**–**	18,354,058
61 – 90 days	**–**	7,644,392
	–	25,998,450
Total trade payables	**14,768,032**	52,017,260

Note: The aging analysis of trade payables presented is based on the invoice date at the end of the reporting period.

The credit period on purchases of goods ranges from 30 days to 120 days. The Group monitors and maintains a level of cash and cash equivalents sufficient to ensure that all payables are within the credit timeframe.

Included in the trade payables above, HK$6,232,435 has been paid by endorsed bills for which the maturity date has not yet fallen due as at end of the reporting period.

9. AMOUNT DUE FROM (TO) RELATED COMPANIES

Due from related companies:

	2013	2012
	HK$	*HK$*
Trade balances	**–**	43,582,841

Due to related companies:

	2013	2012
	HK$	*HK$*
Trade balances	**926,236**	790,755

Amounts represent balances with related companies, which are fellow subsidiary of the Company or subsidiary/jointly controlled entity of the non-controlling shareholder with significant influence over a subsidiary of the Company.

As at 31 March 2012, amounts HK$43,582,841(2013: Nil) included in the Group's amounts due from related companies were trading in nature, and arose from sales of packaging and printing products. The amount at 31 March 2012 had been classified as held-for-sale. The following is an aged analysis of the amount due from related parties presented based on the invoice date, which is approximate the revenue recognition date, at the end of the reporting period:

	2013	2012
	HK$	*HK$*
0 - 60 days	**–**	43,214,751
Over 60 days	**–**	368,090
	–	43,582,841

For trade related amounts due from related companies, the amounts are unsecured, non-interest bearing and with an average credit term of 60 days. Balance as at 31 March 2012 are past due as at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amount is still considered recoverable based on historical experience.

As at 31 March 2013, the Group's amounts due to related companies of HK$926,236 (2012: HK$790,755) are trading in nature, arising from purchase of packaging materials for pharmaceuticals and biotechnology products (2012: for purchase of materials for packaging and printing products). The amount at 31 March 2012 has been classified as held-for-sale. The whole amount as at 31 March 2013 and 2012 are aged within 90 days. The amounts were unsecured, non-interest bearing and with credit term ranged from 30 days to 120 days.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2013 as set out in the preliminary announcement of results have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement of results.

FINANCIAL REVIEW

To consolidate the Group's structure and core businesses and to focus on pharmaceutical and biotechnology business, the Company had completed a set of transactions (the "Business Restructuring") with Tianda Group Limited, the ultimate holding company of the Company in August 2012. Namely, the Company acquired the entire equity interest in a group of companies engaged in research and development, manufacturing and sales of pharmaceutical products (collectively as "Tianda Pharmaceuticals Group" hereafter) from the ultimate holding company, while at the same time, the Company disposed of its interests in the packaging and printing business and the mining and energy business back to the ultimate holding company.

In accordance with relevant listing rules and regulations, the Company had issued a circular to explain the details of Business Restructuring on 30 May 2012.

In accordance with relevant accounting standards, the results of the packaging and printing business and the mining and energy business have been accounted for as discontinued operations with only five-month results included for the year ended 31 March 2013 ("FYE2013"), while full twelve-month results were included for the year ended 31 March 2012 ("FYE2012").

The result of continuing operations in FYE2013 only consist of the pharmaceutical and biotechnology business.

For FYE2013, the Group recorded revenue of HK$180.2 million while revenue for FYE2012 was HK$97.3 million only, an increase of HK$82.9 million or 85.2%. Such increase was mainly attributable to the inclusion of HK$57.0 million being seven months revenue generated from the Tianda Pharmaceuticals Group subsequent to the Business Restructuring. Yunnan Meng Sheng Pharmaceutical Co., Limited ("Meng Sheng Pharmaceutical", a business unit acquired by the Group before FYE2012) recorded revenue growth of HK$25.9 million or 26.6% to HK$123.2 million for FYE2013 (HK$97.3 million for FYE2012).

Gross profit increased by approximately 71.0%, to HK$124.0 million for the current financial year (FYE2012: HK$72.5 million). Gross profit margin decreased slightly from 74.5% to 68.8% for FYE2013. The slight decrease in gross profit margin was partly due to amortisation expenses of HK$6.6 million incurred for those medical licenses and permits acquired under the Business Restructuring. The adjusted gross profit margin for FYE2013 would be 72.5% if such effect was excluded. The remaining 2.0% drop in gross profit margin was due to the slightly different products nature of the newly acquired Tianda Pharmaceuticals Group, which are in large volume but lower gross profit margin. Again, the gross profit margin (excluded the amortization of intangible assets) of Meng Sheng Pharmaceutical and Tianda Pharmaceuticals Group for FYE2013 are 77.2% (FYE2012: 74.5%) and 62.3% respectively.

Other income mainly represented interest income of which maintained at the same level with approximately HK$5.9 million. Interest income was earned mostly from bank deposits with the remaining from debt instruments. As compared to FYE2012, distribution and selling expenses and administrative expenses increased upon consolidation of the business of Tianda Pharmaceuticals Group which was newly acquired in FYE2013.

Profit for the year from continuing operations for FYE2013 amounted to approximately HK$50.8 million while that for FYE2012 was HK$44.0 million.

For FYE2013, profit for the year contributed from packaging and printing business was HK$8.0 million, while profit for FYE2012 was HK$41.8 million. In addition, the gross profit margin of printing and packaging business also dropped from 29.2% in FYE2012 to 20% in FYE2013 which resulted in the overall decrease in profit for the year. For mining and energy business, it recorded a profit of HK$1.1 million for FYE2013 while there was a loss of HK$6.2 million in FYE2012. During FYE2013, the Group had successfully disposed of an exploration right in Yunnan Province and recorded an one-off gain on disposal of approximately HK$2.4 million. Also for FYE2013, the Group recognised an one-off gain on disposal of subsidiaries of HK$7.9 million for the discontinued operation. Overall, the profit from discontinued operations decreased from HK$35.6 million in FYE2012 to HK$16.9 million in FYE2013. If the above one-off disposals in FYE2013 were excluded, the profit from discontinued operations would have been decreased by 81.5% from HK$35.6 million to HK$6.6 million.

Profit for the year attributable to the owners of the Company for FYE2013 amounted to HK$37.7 million. This compares to that for FYE2012 of HK$43.1 million and represents a drop of 12.5%. Earnings per share for FYE2013 were HK2.02 cents while for FYE2012 was HK2.30 cents.

BUSINESS REVIEW

Pharmaceutical and Biotechnology

On 31 August 2012, the Company completed the Business Restructuring and acquired the entire equity in Tianda Pharmaceuticals Group. Since then, the Group's pharmaceutical and biotechnology business was carried out through Tianda Pharmaceuticals Group, where the production base and research and development centre is located in Zhuhai, Guangdong Province, and Meng Sheng Pharmaceutical, which is located in Kunming, Yunnan Province.

The acquisitions enriched the Group's product variety and mitigated market and operational risks through product diversification. During FYE2013, the revenue from the major product, Cerebroprotein Hydrolysate for Injection, accounted for 62.4% of the Group's revenue compared with 90.8% in FYE2012. The contribution from Tianda Pharmaceuticals Group's major products, Tuoping (Valsartan capsules) and Tuoen (Ibuprofen suspension and drops) in the seven-month since acquisition in aggregate contributed about 22.0% of the Group's revenue in FYE2013. The product mix would be more balanced should full year sales from Tianda Pharmaceuticals Group were included.

Tianda Pharmaceuticals Group

The Group started to consolidate the results of Tianda Pharmaceuticals Group from 1 September 2012. Tianda Pharmaceuticals Group is principally engaged in research, development, production and sales of pharmaceutical and healthcare products in Hong Kong, the PRC and Australia. Revenue and profit for the period included in the Group's consolidated statement of comprehensive income amounted to approximately HK$57.0 million. The net profit before the fair value adjustments arisen from the Business Restructuring amounted to approximately HK$10.0 million.

Meng Sheng Pharmaceutical

The Group owned 55% of equity interest in Meng Sheng Pharmaceutical. During FYE2013, Meng Sheng Pharmaceutical recorded revenue of approximately HK$123.2 million, representing an increase of 26.6% over that of HK$97.3 million for FYE2012. Gross profit margin increased from 74.5% for FYE2012 to 77.2% for FYE2013. Net profit was increased from HK$54.8 million for FYE2012 to HK$58.5 million for FYE2013 and the net profit margin decreased from 56.3% to 47.5% respectively. After the Business Restructuring, Meng Sheng Pharmacuetical can share Tianda Pharmaceuticals Group's professional marketing team and distribution network across major provinces and cities in China to sell its products, which facilitated market expansion and mitigated potential operational risks due to over relying on its previous agent. The Group's revenue contributed by Meng Sheng's largest customer significantly diluted from 88.9% in FYE2012 to 11.4% in FYE2013. At the same time, the new distribution arrangement would increase the distribution and selling expenses in current financial year as a result of payment of servicing charges (which is payable to Tianda Pharmaceuticals Group and eliminated at the Group's consolidated result), sales commissions and other sales supportive expenses. If the servicing charges were excluded, the net profit margin would improve from 56.3% in FYE2012 to 57.2% in FYE2013.

The gross profit margin of Meng Sheng has improved from 74.5% in FYE2012 to 77.2% in FYE2013. Despite the increase in production costs as a result of general economic factors such as raw material costs and labour costs increase during FYE2013, Meng Sheng has managed to increase its product selling price for compensation and transferred the inflationary pressure to customers and even achieved a slightly higher gross profit margin in this reporting period.

Packaging and Printing

During FYE2013, the Group had three investments in packaging and printing business, namely, Cheng Cheng Printing Group (which mainly consisted of 60% equity interest in Zhuhai S.E.Z. Cheng Cheng Printing Co., Ltd.), 25% equity interest in Yunnan Huaning Xingning Colour Material Printing Co., Ltd. ("Xingning Printing") and 18.75% equity interest in Yuxi Globe Colour Printing Carton Co., Ltd. ("Globe Printing"). All these companies are principally engaged in the printing of cigarette boxes and packs, and Cheng Cheng Printing Group is also engaged in the printing of other consumer products.

All these three investments were disposed of on 31 August 2012 and the results of the packaging and printing business ceased to be consolidated into the Group's account since then. Its results were consolidated only for five months for FYE2013 while for FYE2012, its full year results had been accounted for in the Group's consolidated financial statements. The disposal of the packaging and printing business resulted in a gain of approximately HK$5.3 million.

Cheng Cheng Printing Group

For FYE2013, revenue and profit for the year of Cheng Cheng Printing Group included in the Group's accounts amounted to approximately HK$101.8 million and HK$7.1 million respectively. For FYE2012, the corresponding amounts were approximately HK$294.5 million and HK$35.3 million respectively. As a result of keen competitions and rise in the costs of sales like material costs, the gross profit margin decreased from 27.9% to 20.0% while the net profit margin decreased from 12.0% to 7.0%.

Xingning Printing

Xingning Printing reported the share of its result amounted to approximately HK$946,000 for FYE2013 while that for FYE2012 was HK$1.4 million.

Globe Printing

The Group had an equity interest of 18.75% in Globe Printing and accounted it as an investment in an investee company. Globe Printing typically distributed dividends in the first quarter of a year and no dividend income was received before the disposal during FYE2013 while for FYE2012 recorded approximately HK$5.4 million.

Mining and Energy

During FYE2013, the Group operated its mining and energy business through its two non-wholly owned subsidiaries, namely, Yunnan Tianda Mining Ltd. and Gansu Tianda Mining Ltd., of which the Group had an effective equity interest of 51%. Respective tenements were either still under general geological surveys or at the stage of exploration right applications and no revenue had been generated. The mining and energy business was disposed off on 31 August 2012 and no longer consolidated into the Group's account from 31 August onward. The Group recognised an extraordinary gain on disposal of approximately HK$2.6 million. Profit for FYE2013 from this business segment amounted to approximately HK$1.1 million while that for FYE2012 a loss of HK$6.2 million was recorded. The profit was mainly contributed by disposal of an exploration right of a tenement in Dongchuan District, Yunnan Province.

OUTLOOK

Through advanced researches, the Group finally determined pharmaceutical and biotechnology business as its core business and underwent Business Restructuring accordingly with the support from its shareholders. The newly created "pharmaceutical" afoot on a new path with a different structure and outlook. Also, the PRC government has set the goal for developing a complete middle-class society in China as their top priority and will definitely put more resources on medical and health benefits. With better income and improved living standards, awareness among and demand on pharmaceutical from the public will continue to increase. With a population of 1.3 billion people, the potential of the pharmaceutical market in China is huge. Similarly, there are opportunities for the pharmaceutical market with a number of developing and emerging countries that are at the same development stage as China. The Group will capture the right timing, overcome those challenges and further its development by diversifying product range, explore different markets and seize mergers and acquisitions opportunities when available.

To diversify product range

The Group will further focus on research and development and continue its product diversification in different ways, especially for products with larger market scale. Currently, the Group is researching on new drugs for tumor, diabetics, cardiovascular disease, etc. and conducting second development for Yi An Decoction (with indication for asthma added), Zhikang Granules (with indication for fatty liver disease added), etc. Cynergy Health, a company in Australia recently acquired, has several healthcare product brands launched to the market for nearly twenty years, adding over 40 kinds of products to the Group's product lines.

To explore markets

For the China market, the Group will continue to streamline and strengthen the intensive marketing model, that is, different pharmaceutical subsidiaries under the Group will share benefits from "one" sales team and network; while Hospital Business Unit focuses on hospital end operated on a proprietary basis; and Domestic Business Department covers merchant sales. The Group will devote itself to basic drug market, form an OTC department in the right time and steadily start drugstore chains as sales channels.

For the Australia market, based on the existing businesses of Cynergy Health, the Group will improve its product mix and strengthen brand building with a combination of traditional sales channels and internet sales, to build marketing group and distribution network of health products and OTC products.

For Hong Kong, Macao, Taiwan markets and the international market, the Group will continue to introduce more products to Hong Kong, Macao and Taiwan markets, and gradually increase its sales shares. It will put more efforts to explore the international market and promote international sales through suitable agents and distributors on a cost effective and risk controllable basis. In 2012, the Group's efforts to expand the international market started to bear fruit, in particular, our flagship product - Cerebroprotein Hydrolysate for Injection was officially introduced in India, which began to provide a steady source of income. In addition, the Group has entered into agreements with the agents in many countries, including South Korea, the Philippines, the Dominican Republic, Kazakhstan and Russia, to aggressively promote the introduction of "Cerebroprotein Hydrolysate for Injection" to these markets. In addition to introduce its own products to the international markets, the Group is also actively identifying strategic partners to introduce quality products to the international markets by leveraging on our strengths in the international market, thus creating a win-win situation.

To seize mergers and acquisitions opportunities

Mergers and acquisitions can accelerate the development of the Group. The Group has been insisting on adopting prudent strategies for mergers and acquisitions with a focus on synergy that emphasizes on quality rather the scale. Followed by the acquisition of the business of Cynergy Health, a company providing healthcare products in Australia, and made its first step to the capital market of international pharmaceutical and healthcare industry, the Group will continue to make good use of its abundant fund and seek for suitable mergers and acquisitions projects in order to boost the rapid growth.

Looking ahead, the Group will, by capitalizing on the blooming prospect in the pharmaceutical market in China and utilize appropriate strategies, professional team and sound management to expand the presence of Tianda Pharmaceuticals brands to everywhere around China step by step, and improve the sales performance and awareness of Tianda Pharmaceuticals in the international market and bring out a bright prospect with high growth and high return for Tianda Pharmaceuticals.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity remained healthy. As at 31 March 2013, the Group had cash and bank balances of approximately HK$426.2 million (31 March 2012: HK$412.1 million), of which approximately 25.4%, 3.8% and 70.2% were denominated in Hong Kong dollar, United States dollar and Renminbi respectively with the remaining in Australian dollar and Euro. The Group has no external borrowings during the year. Therefore, the Group has sufficient financial resources to meet its obligations and daily operational needs.

EXCHANGE RATE EXPOSURE

The Group's assets, liabilities and transactions are substantially denominated in Hong Kong dollar, Renminbi, United States dollar and Australian dollar.

The Group has sales and investments in foreign operations which use currencies other than its functional currency Renminbi. As such, the Group has some exposures to foreign currency risk. The management from time to time determines suitable measures, such as entering into forward currency contracts, to lessen exposure to exchange rate fluctuations in material transactions denominated in currencies other than Renminbi. The Group did not enter into any forward currency contracts to hedge its foreign currency risks as at 31 March 2013.

CHARGES ON ASSETS

The Group did not have any charge on assets as at 31 March 2013 and 31 March 2012.

EMPLOYEES

The Group employed approximately 491 employees in Hong Kong, China and Australia as at 31 March 2013. The Group remunerates its employees based on market terms and the qualifications and experiences of the employees concerned.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Code on Corporate Governance Practices were amended and revised as the Corporate Governance Code ("CG Code") in Appendix 14 of the Listing Rules which became effective from 1 April 2012. The Company has complied with the code provisions of the CG Code during the year ended 31 March 2013 except as mentioned.

Mr. FANG Wen Quan is the Managing Director and the Chairman of the Company. Pursuant to paragraph A.2.1 of the CG Code, the roles of chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. FANG Wen Quan acting as both the Chairman of the Board and as the Managing Director of the Company is acceptable and in the best interest of the Group. The Board will review this situation periodically.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors of the Company. Terms of reference of the audit committee have been updated in compliance with the CG Code. The audit committee has reviewed together with the management of the Company the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including review of the financial results of the Group for the year ended 31 March 2013.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board of Directors has recommended the payment of a final dividend of HK0.41 cent (2012: final dividend of HK0.47 cent) per share for FYE2013, subject to shareholders' approval at the forthcoming 2013 annual general meeting. The dates of closure of register of members of the Company for the purpose of determining the identity of shareholders entitled to attend the 2013 annual general meeting and to receive the proposed final dividend and the payment date of the said final dividend will be announced later.

By order of the Board
Tianda Pharmaceuticals Limited
FANG Wen Quan
Chairman

Hong Kong, 24 June 2013

As at the date of this announcement, the executive Directors are Mr. FANG Wen Quan (the Chairman and Managing Director), Mr. LI Suiming and Mr. LIU Huijiang and the independent non-executive Directors are Mr. CHIU Sung Hong, Mr. CHIU Fan Wa and Mr. LAM Yat Fai.