GOLDEN THROAT HOLDINGS GROUP COMPANY LIMITED
金嗓子控股集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 6896)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS

- Revenue increased by RMB61.3 million or 8.7% to RMB768.2 million, as compared to the year ended 31 December 2015.
- Gross profit increased by RMB32.8 million or 6.3% to RMB554.9 million, as compared to the year ended 31 December 2015, and gross profit margin reached 72.2%.
- Earnings before interest, taxes, depreciation and amortisation decreased by RMB29.4 million or 13.5% to RMB189.1 million, as compared to the year ended 31 December 2015.
- Profit attributable to equity holders decreased by RMB51.7 million or 33.4% to RMB102.9 million, as compared to the year ended 31 December 2015.
- The Board recommends the payment of a final dividend of HK$0.06 per share for the year ended 31 December 2016 to the shareholders of the Company. The final dividend is subject to the approval of shareholders of the Company at the forthcoming annual general meeting and, if approved, will be payable on or before 30 June 2017.

RESULTS

The board (the "Board") of directors (the "Director") of Golden Throat Holdings Group Company Limited is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2016, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

	Notes	**2016** *RMB'000*	2015 *RMB'000*
REVENUE	*5*	**768,171**	706,922
Cost of sales		**(213,231)**	(184,818)
Gross profit		**554,940**	522,104
Other income and gains	*5*	**30,302**	27,264
Selling and distribution expenses		**(319,034)**	(255,375)
Administrative expenses		**(69,190)**	(78,364)
Other expenses		**(14,445)**	(3,115)
Finance costs	*7*	**(7,272)**	(10,091)
PROFIT BEFORE TAX	*6*	**175,301**	202,423
Income tax expense	*8*	**(72,389)**	(47,805)
PROFIT FOR THE YEAR		**102,912**	154,618
Attributable to:			
Owners of the parent		**102,912**	154,618
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the year	*10*	**RMB13.77 cents**	RMB24.21 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2016

	2016	2015
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**102,912**	154,618
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(10,772)**	–
Exchange differences:		
Exchange differences on translation of foreign operations	**39,484**	10,996
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**28,712**	10,996
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**28,712**	10,996
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**131,624**	165,614
Attributable to:		
Owners of the parent	**131,624**	165,614

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	2016 RMB'000	2015 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**55,621**	36,923
Advance payments for property, plant and equipment		**452**	635
Prepaid land lease payments		**39,815**	40,818
Prepayments, deposits and other receivables		**26,764**	248
Deferred tax assets		**13,918**	16,083
Total non-current assets		**136,570**	94,707
CURRENT ASSETS			
Inventories		**42,623**	36,759
Trade and bills receivables	*11*	**475,733**	372,275
Prepayments, deposits and other receivables		**84,200**	42,412
Due from related parties		**3,705**	541
Available-for-sale investments	*12*	**314,985**	82
Cash and cash equivalents		**374,596**	754,664
Total current assets		**1,295,842**	1,206,733
CURRENT LIABILITIES			
Trade payables	*13*	**15,155**	10,302
Other payables and accruals		**235,557**	170,675
Interest-bearing bank borrowings	*14*	**66,000**	91,691
Due to a director		**236**	96
Due to related parties		**–**	110
Tax payable		**80,902**	47,648
Government grants		**366**	366
Dividend payable		**39,679**	–
Total current liabilities		**437,895**	320,888
NET CURRENT ASSETS		**857,947**	885,845
TOTAL ASSETS LESS CURRENT LIABILITIES		**994,517**	980,552

	2016	2015
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Other payables and accruals	**1,234**	855
Government grants	**2,096**	2,462
Deferred tax liabilities	**4,430**	8,790
Total non-current liabilities	**7,760**	12,107
Net assets	**986,757**	968,445
EQUITY		
Equity attributable to owners of the parent		
Share capital	**113**	115
Share premium	**675,410**	711,364
Reserves	**311,234**	256,966
Total equity	**986,757**	968,445

NOTES TO FINANCIAL STATEMENTS

31 December 2016

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 2 September 2014. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During 2016, the Group was principally involved in the manufacture and sale of pharmaceutical, healthcare food and other products.

On 15 July 2015, the Company achieved a successful listing on the Main Board of the Stock Exchange.

In the opinion of the directors, the holding company of the Company is Golden Throat International Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

The adoption of the above revised standards has had no significant financial effect on the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

During the year, all of the Group's revenue was generated from customers located in Mainland China and all of the non-current assets of the Group was located in Mainland China.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's total revenue during the year (2015: Nil).

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and net of value added tax and government surcharges during the year.

An analysis of revenue, other income and gains is as follows:

	2016	2015
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**768,171**	706,922
Other income		
Government grants	**13,186**	14,545
Bank interest income	**3,410**	9,729
Investment income from available-for-sale investments	**13,559**	86
Rental income	**11**	52
Others	**136**	1,124
	30,302	25,536
Gains		
Exchange gains, net	**–**	1,728
	30,302	27,264

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2016	2015
	RMB'000	*RMB'000*
Cost of inventories sold	**213,231**	184,818
Depreciation of items of property, plant and equipment	**5,482**	5,218
Amortisation of land lease payments	**1,003**	789
Research and development costs	**1,724**	2,289
Minimum lease payments under operating leases	**2,547**	578
Auditor's remuneration	**1,976**	3,930
Government grants	**(13,186)**	(14,545)
Bank interest income	**(3,410)**	(9,729)
Investment income from available-for-sale investments	**(13,559)**	(86)
Rental income	**(11)**	(52)
Exchange losses/(gains), net	**11,131**	(1,728)
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**55,231**	58,422
Pension	**10,020**	8,924
Staff welfare expenses	**15,234**	15,617
	80,485	82,963
Loss on disposal of items of property, plant and equipment	**12**	474
Donation	**165**	120
Changes in fair value of available-for-sale investments	**–**	44
Impairment of other receivables	**2,004**	310
Impairment/(reversal of impairment) of trade receivables	**124**	(704)
Write-down/(reversal of write-down) of inventories to net realisable value	**125**	(791)

7. FINANCE COSTS

	2016	2015
	RMB'000	*RMB'000*
Interest on bank loans	**7,272**	6,083
Interest on discounted bills receivable	**–**	4,008
	7,272	10,091

8. INCOME TAX

The income tax expense of the Group for the years ended 31 December 2016 and 2015 is analysed as follows:

	2016	2015
	RMB'000	*RMB'000*
Current tax:		
Charge for the year	**60,420**	44,644
Deferred tax	**11,969**	3,161
Total tax charge for the year	**72,389**	47,805

9. DIVIDENDS

	2016	2015
	RMB'000	*RMB'000*
Interim		
– HK6 cents (2015: Nil) per ordinary share	**39,317**	–
Proposed final		
– HK6 cents (2015: HK6 cents) per ordinary share	**39,679**	37,660
	78,996	37,660

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 747,505,623 (2015: 638,662,951) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2016 and 2015.

The calculation of basic earnings per share is based on:

	2016 RMB'000	2015 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**102,912**	154,618

	Number of shares 2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**747,505,623**	638,662,951

11. TRADE AND BILLS RECEIVABLES

	2016 RMB'000	2015 RMB'000
Trade receivables	**148,324**	60,409
Bills receivable	**328,355**	314,189
	476,679	374,598
Impairment	**(946)**	(2,323)
	475,733	372,275

The Group's trading terms with its customers are mainly on credit. The credit period is generally three months, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2016 RMB'000	2015 RMB'000
Less than 3 months	**138,013**	55,264
3 to 6 months	**3,422**	1,395
6 to 12 months	**5,753**	755
1 to 2 years	**149**	490
Over 2 years	**41**	182
	147,378	58,086

12. AVAILABLE-FOR-SALE INVESTMENTS

	2016	2015
	RMB'000	*RMB'000*
Listed equity investments, at fair value *(note a)*	**27**	82
Corporate bonds and notes, at fair value *(note b)*	**314,958**	–
	314,985	82

Notes:

(a) Listed equity investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

(b) Corporate bonds and notes have annual target return rates ranged from 3% to 6.75%, which will due within the period from 1 January 2017 to 8 March 2027.

13. TRADE PAYABLES

	2016	2015
	RMB'000	*RMB'000*
Trade payables	**15,155**	10,302

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2016	2015
	RMB'000	*RMB'000*
Less than 3 months	**3,921**	3,921
3 to 6 months	**6,537**	4,021
6 to 12 months	**3,395**	1,088
1 to 2 years	**35**	423
Over 2 years	**1,267**	849
	15,155	10,302

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

14. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate *(%)*	**Maturity**	**2016** ***RMB'000***	2015 *RMB'000*
Current				
Bank loans – secured	3.37-5.60	Within 1 year	**36,000**	61,691
Bank loans – unsecured	4.35-5.60	Within 1 year	**30,000**	30,000
			66,000	91,691
Analysed into:				
Bank loans repayable:				
Within one year or on demand			**66,000**	91,691

Notes:

(a) Certain of the Group's bank loans are secured by:

(i) mortgages over certain of the Group's leasehold lands, which had an aggregate net carrying value at the end of the reporting period of approximately RMB16,698,000 (2015: RMB38,258,000); and

(ii) mortgages over certain of the Group's buildings, which had an aggregate net carrying value at the end of the reporting period of approximately RMB1,573,000 (2015: RMB1,717,000).

No bills receivable are pledged to secure certain of the Group's bank loans at the end of the reporting period (2015: RMB1,691,000).

No bank loans have been guaranteed by a director of the Company, Jiang Peizhen, at the end of the reporting period (2015: RMB20,000,000).

15. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis is prepared as of 30 March 2017 (being the date of this announcement). It should be read in conjunction with the audited consolidated financial statements and notes thereto of the Group for the year ended 31 December 2016.

"Audit Committee"	the audit committee of the Board, established on 13 February 2015.
"Board"	the board of Directors of the Company.
"CFDA"	China Food and Drug Administration (國家食品藥品監督管理總局).
"CG Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules.
"CNMA"	China Nonprescription Medicines Association (中國非處方藥物協會).
"Company", "we", "us" and "our"	Golden Throat Holdings Group Company Limited (金嗓子控股集團有限公司), an exempted company incorporated with limited liability in the Cayman Islands on 2 September 2014.
"Controlling Shareholders"	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, refers to Mr. ZENG Yong, the Family Trust, Jin Jiang Global and Golden Throat International.
"Director(s)"	director(s) of the Company.
"Family Trust"	an irrevocable discretionary trust settled by Mr. ZENG Yong as the settlor pursuant to a trust arrangement dated 25 February 2015 in respect of the shares in Jin Jiang Global.
"Framework Agreement"	a framework agreement on strategic cooperation dated 15 February 2016 entered into between the Company and Jointown.
"Investment Agreement"	the investment agreement entered into between Golden Throat Company, Qifeng, Haode Investment and Golden Throat Food Company on 3 June 2016.
"Golden Throat Company" or "Guangxi Golden Throat"	廣西金嗓子有限責任公司 (Guangxi Golden Throat Co., Ltd.), a company with limited liability established in China on 18 September 1998 and an indirect wholly owned subsidiary of the Company.
"Golden Throat Health Food"	廣西金嗓子保健品有限公司 (Guangxi Golden Throat Health Food Co., Ltd.), a company with limited liability incorporated in Hong Kong on 23 April 2012 and a direct wholly-owned subsidiary of the Company.

"Golden Throat International"	Golden Throat International Holdings Limited, a company incorporated in the British Virgin Islands on 3 April 2012 and beneficially and wholly owned by Jin Jiang Global, and one of the Controlling Shareholders.
"Golden Throat Food Company"	廣西金嗓子食品有限公司 (Guangxi Golden Throat Food Co., Ltd.*), a company with limited liability established in China on 17 February 2016 and currently an indirect wholly-owned subsidiary of the Company, and will become a joint venture company, the equity capital of which will be owned as to 64.9% by Guangxi Golden Throat, 29.1% by Qifeng, and 6.0% by Haode Investment.
"Golden Throat Import & Export Company"	廣西金嗓子進出口貿易有限公司 (Guangxi Golden Throat Import & Export Trading Co., Ltd.*), a company with limited liability established in China on 31 March 2016 and a wholly-owned subsidiary of Guangxi Golden Throat.
"Golden Throat Biological Technology"	廣西金嗓子生物科技有限公司 (Guangxi Golden Throat Biological Technology Co., Ltd.*), a company with limited liability established in China on 19 April 2016 and a wholly-owned subsidiary of Guangxi Golden Throat.
"Golden Throat Lozenges (OTC)"	金嗓子喉片, one of the Group's key products and approved as a type of over-the-counter medicine.
"Golden Throat Lozenge Series Products"	金嗓子喉寶系列產品, one of the Group's key products and approved as food products.
"Golden Throat Herbal Vegetable Beverages Series Products" or "Herbal Vegetable Beverages"	金嗓子草本植物飲料系列產品, a series type of the Group's pipeline products and approved as a type of food.
"Haode Investment"	珠海皓德投資諮詢有限公司 (Zhuhai Haode Investment Consulting Co., Ltd.*), a company with limited liability established in China on 17 November 2014, which is principally engaged in investment consultation and management, and an independent third party of the Company.
"Group"	the Company and its subsidiaries.
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong.
"IPO Proceeds"	the net proceeds from the listing of the Shares on the Stock Exchange.

"Jin Jiang Global"	Jin Jiang Global Investment Company Limited, a company incorporated in the British Virgin Islands on 23 September 2014 and its issued shares are held by Sovereign Trust International Limited as trustee for the benefit of Mr. ZENG Yong and his children and descendants, and one of the Controlling Shareholders.
"Jointown"	九州通醫藥集團股份有限公司 (Jointown Pharmaceutical Group Co., Ltd.), a company listed on the Shanghai Stock Exchange (stock code: 600998) and an independent third party of the Group.
"Listing" or "IPO"	the listing of the Shares on the Main Board of the Stock Exchange.
"Listing Date"	15 July 2015, the date on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time.
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.
"Qifeng"	啓豐食品科技(北京)有限公司 (Qifeng Food Technology (Beijing) Company Limited*), a company with limited liability established in China on 30 March 2015 and an independent third party of the Company.
"OTC"	relating to pharmaceutical products which may, upon receiving the CFDA approval, be sold over the counter in China at dispensers, pharmacies or retail outlets without requiring a prescription by a medical practitioner.
"PRC" or "China"	the People's Republic of China excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.
"Prospectus"	the prospectus of the Company dated 30 June 2015 in respect of the global offering of its shares.
"RMB"	Renminbi, the lawful currency of the PRC.
"R&D"	research and development.
"Shareholder"	a holder of any Share(s).
"Shares"	ordinary shares in the capital of the Company with a nominal value of US$0.000025 each.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

BUSINESS REVIEW

The Group is a leading manufacturer of lozenges in China. In November 2016, the Group's flagship product, Golden Throat Lozenges (OTC) was awarded No. 1 amongst Chinese traditional medicines (Throat) in 2016 by CNMA. Currently, the Group has developed into a comprehensive modern group mainly engaging in the manufacture and sale of lozenges and other pharmaceutical and food products.

Key Products

The Group reports its revenue by three product categories, consisting of Golden Throat Lozenges (OTC), Golden Throat Lozenge Series Products and other products.

During 2016, the Group's sale of lozenges maintained a strong growth momentum as the Group further deepened its market penetration of its key products. For the year ended 31 December 2016, the Group's sale recorded a strong revenue growth of 8.7% as compared to the corresponding period in 2015.

Golden Throat Lozenges (OTC) – over-the-counter medicine

The Group's flagship product is Golden Throat Lozenges (OTC), which was launched in 1994. It is a type of lozenge mainly designed to relieve symptoms of sore and dry throat and hoarse voice caused by acute pharyngitis. Golden Throat Lozenges (OTC) was approved as over-the-counter medicine by the CFDA, as such they can be purchased by the public in pharmacies without requiring the prescription of a qualified medical professional.

As of 31 December 2016, Golden Throat Lozenges (OTC) has been exported to the United States, Canada, Russia, the European Union, Australia, South Asia and Middle East.

During the year ended 31 December 2016, the Group's sales of Golden Throat Lozenges (OTC) accounted for 87.1% of its total revenue.

Golden Throat Lozenge Series Products – Food

The Group's other key products are the Golden Throat Lozenge Series Products, which include seven products comprising of Dule Lozenges (都樂含片), sugar-free Dule Lozenges and five other sugar-free flavours of this series, namely orange (香橙), fructus momordicae (羅漢果), chrysanthemum (桑菊), American ginseng (西洋參) and hawthorn (山楂).

A major difference between Golden Throat Lozenges (OTC) and Golden Throat Lozenge Series Products is that the former is approved as over-the-counter medicine, whereas the latter are approved as food products. The sugar-free series of the Golden Throat Lozenge Series Products were launched in 2013 to cater to those consumers who prefer sugar-free products and those who have intake limit of sugar.

As of 31 December 2016, Golden Throat Lozenge Series Products were exported to seven countries and regions.

During the year ended 31 December 2016, the Group's sales of Golden Throat Lozenge Series Products accounted for 7.2% of its total revenue.

Other Products

Sales of the Group's other products accounted for 5.7% of the Group's revenue for the year ended 31 December 2016. Two of the Group's other products are Yinxingye Tablet (銀杏葉片) and Herbal Vegetable Beverage. Yinxingye Tablet is mainly designed to facilitate blood circulation, remove blood stasis and dredge energy channels and was approved as a prescription medicine by the CFDA, while the main function of Herbal Vegetable Beverages is soothing voice and relieving sore throats. Golden Throat Herbal Vegetable Beverages Series Products were put into mass production and launched to market in 2016.

Research and Development

The Group's business has significantly benefited from its strong track record in R&D. Since 1994, the Group has successfully developed 31 new products for which it has obtained manufacturing permits, amongst which, eight are pharmaceutical products (including Jinyin Sanqi Capsule (金銀三七膠囊)), 21 are food products, one is a health food product and one is medical apparatus product.

The Group's R&D activities are conducted both in-house and through collaborations with external research institutions, such as hospitals, institute for drug research and other companies. As of 31 December 2016, the Group's R&D team consists of approximately 280 people.

The Group will continue its co-operation with external institutions in product research, development and commercialisation with the aim of improving production quality and efficiency. The Group intends to incur an aggregate of approximately RMB65 million on research and development activities for the next three years. For the year ended 31 December 2016, the Group has incurred RMB1.7 million on R&D activities.

Pipeline Products

The Group seeks to develop new pharmaceutical products and food products addressing selected key medical and health needs, with the objective of contributing to the improvement of the public health and capturing market share in new markets, as well as enriching its product portfolio.

As at 31 December 2016, the Group's major pipeline products included a new sugar-free product with flavours (such as hawthorn (山楂)) of Golden Throat Lozenge Series Products. The Group has developed such new product as an addition to the original six products of Golden Throat Lozenge Series Products, and the new product will be launched in due course.

Sales, Marketing and Distribution

Branding

The Group believes that strong brand recognition and customer loyalty are key to the recognition of the "Golden Throat (金嗓子)" brand. The Group's principal brand, "Golden Throat (金嗓子)" was awarded with "Brand China – Huapu Award" (品牌中國－華譜獎) by Brand China Industry Union and China Chamber of International Commerce in 2011 and "CCTV China Annual Brand" (中央電視台中國年度品牌) by CCTV in 2012.

Distribution Network

The Group has established an extensive and structured nationwide sales and distribution network for its (i) over-the-counter medicines, (ii) food products and (iii) prescription medicines and medical apparatus. During the year ended 31 December 2016, substantially all of the Group's revenue was generated from sales to distributors.

As of 31 December 2016, the Group's distribution network comprised over 300 distributors which were directly engaged by it covering all the provinces, autonomous regions and municipal cities throughout China. In addition, the Group has also engaged promoters to further facilitate its product promotion and advertising, communication with its customers and monitoring of the activities of its distributors.

As mentioned above, the Group also has a presence in various overseas markets for its products, including the United States, Canada, Russia, the European Union, Australia, Southeast Asia and Middle East. The Group has sold its products to overseas markets through Golden Throat Import & Export Company and local distributors.

As disclosed in the Company's announcement dated 16 February 2016, the Company has entered into the Framework Agreement on strategic cooperation on 15 February 2016 with Jointown, based on both parties' mutual desire for joint development. Pursuant to the Framework Agreement, the Company shall grant exclusive agency rights to Jointown for the sales and distribution of the Group's certain types of products within mainland of the PRC through Jointown's pharmaceutical distribution network, but such rights shall not include Jointown's right to engage any sub-distributors outside of its distribution network. The term of the Framework Agreement is six years, commencing from 1 January 2016 till 31 December 2021.

Below is a summary of the Group's distribution network. For further details, please refer to the section headed "Business – Distribution Network and Infrastructure" in the Prospectus.

Promoters

As of 31 December 2016, the Group has entered into products promotion cooperation agreements with 11 promoters. The primary reasons for engaging the promoters in certain regions are: (i) their knowledge of local markets and substantial experience in promoting products; and (ii) their familiarity with local municipal level agents and the Group benefits from their facilitation and ongoing feedback of such local markets.

Market Review

In recent years, the PRC's nominal GDP has grown steadily. According to the National Bureau of Statistics of China, the nominal GDP of China increased from RMB34,908.1 billion in 2009 to RMB74,412.7 billion in 2016. In addition to GDP growth, China is experiencing growth in disposable income. Per capita disposable income of urban residents increased from RMB21,810 in 2011 to RMB33,616 in 2016, while per capita net income of rural residents increased from RMB6,977 in 2011 to RMB12,363 in 2016.

With the growth of China's economy and increase of people's disposable income, as well as the increasing focus on health, the pharmaceutical and lozenge market in China is expected to continue growing rapidly in the foreseeable future.

PRC consumers' health awareness has been increasing year by year which resulted in higher spending on health related products including, amongst others, health food and medicines. Consumers nowadays care more about life quality and health than before, and are getting more familiar with many brands of OTC medicines. In addition, the inconvenience and time needed for seeing doctors due to shortage of medical resources also drives consumers to treat themselves at home by purchasing OTC medicines when they encounter common ailments or chronic diseases.

Future Expansion and Upgrading Plan

For 2017, the Group will continue to strengthen its leading position in the lozenge market and continue to expand its market share in the PRC pharmaceutical and food markets.

The Group have commenced its strategic expansion into new geographic markets such as Qinghai, Jilin and Inner Mongolia through the establishment of its refined distributorship system back in 2013 and will continue both to expand into new markets and also further penetrating its existing markets through the expansion of its sales team to provide more distribution and sales support to its distributors at the pharmacy level.

To further enhance the popularity of its products and awareness of its brand and image in China, the Group will continue to maintain and promote its "Golden Throat (金嗓子)" brand with the goal of establishing it as the leading household brand recognised for effective, safe and curative lozenge products in China. The Group plans to expand and enhance its media marketing and promotion efforts, which historically have been mainly on television networks, by increasingly advertising via internet media that have broader coverage. The Group's dedicated marketing team will continue to work closely with its distributors to design and carry out effective and targeted marketing campaigns and promotional activities.

The Group also intends to increase its production capacity by constructing a new production base to meet the market demand for its Golden Throat Lozenges (OTC). The Group has acquired a new plot of land in Luowei Industrial Concentration Area, Liuzhou, Guangxi Zhuang Autonomous Region for the purpose of constructing a new medicines production and research and development base. The Group has commenced construction in December 2015. As of the end of March 2017, the construction of certain workshop and plant of new medicines production and research and development base were about to be completed. It is expected that civil engineering work will be completed by the end of 2017. After the expansion, the Group expects to have an increase in its annual manufacturing capacity of Golden Throat Lozenges (OTC) representing an increase of approximately 57% of the current capacity.

In addition, the Group plans to convert its current headquarters at No. 28, Yuejin Road, Liuzhou, Guangxi Zhuang Autonomous Region into a food production plant, as well as a food research and development centre, in order to enhance its food business and capture more customers and sales. Its current site in Laibin, Guangxi Zhuang Autonomous Region will be used to establish a Chinese herbs processing base.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2016, the Group's revenue amounted to approximately RMB768.2 million, as compared to RMB706.9 million for the year ended 31 December 2015, representing an increase of approximately RMB61.3 million, or 8.7%. The increase is mainly attributable to the increase in sales of Golden Throat Lozenges (OTC) products, Golden Throat Lozenges Series Products and other products.

For the year ended 31 December 2016, the Group's revenue from sales of Golden Throat Lozenges (OTC) increased to RMB668.7 million, as compared to RMB649.1 million for the year ended 31 December 2015, representing an increase of approximately RMB19.6 million, or 3.0%, primarily because in the second half of 2015, the Group increased the unit price of Golden Throat Lozenges (OTC).

For the year ended 31 December 2016, the Group's revenue from sales of Golden Throat Lozenge Series Products increased to RMB55.0 million, as compared to RMB39.5 million for the year ended 31 December 2015, representing an increase of approximately RMB15.5 million, or 39.2%, primarily because the Group has strengthened its promotional efforts and the construction of distribution network for its Golden Throat Lozenge Series Products.

For the year ended 31 December 2016, the Group's revenue from sales of other products increased to RMB44.5 million, as compared to RMB18.3 million for the year ended 31 December 2015, representing an increase of approximately RMB26.2 million, or 143.2%. This was because the Group launched Herbal Vegetable Beverages in 2016, which are new products.

The table below sets forth, for the periods indicated, the sales volume, revenue, cost, gross margin, unit price and unit cost of its key products.

	Year ended 31 December 2016					
	Sales Volume	**Revenue**	**Cost**	**Gross margin**	**Unit price**	**Unit cost**
	boxes'000	***RMB'000***	***RMB'000***	***%***	***RMB***	***RMB***
Golden Throat Lozenges (OTC)	**123,700**	**668,725**	**157,981**	**76.4**	**5.4**	**1.3**
Golden Throat Lozenge Series Products	**12,425**	**54,964**	**22,110**	**59.8**	**4.4**	**1.8**

	Year ended 31 December 2015					
	Sales Volume	Revenue	Cost	Gross margin	Unit price	Unit cost
	boxes'000	*RMB'000*	*RMB'000*	*%*	*RMB*	*RMB*
Golden Throat Lozenges (OTC)	129,481	649,077	151,873	76.6	5.0	1.2
Golden Throat Lozenge Series Products	9,492	39,475	19,877	49.6	4.2	2.1

Cost of Sales

The Group's cost of sales consists primarily of cost of packaging materials, labor costs, cost of raw materials, depreciation and other costs relating to its production of Golden Throat Lozenges (OTC), Golden Throat Lozenge Series Products and other products.

The Group's cost of sales increased from approximately RMB184.8 million for the year ended 31 December 2015 to approximately RMB213.2 million for the year ended 31 December 2016, which accounted for approximately 27.8% of the Group's total revenue for the same period. The increase in the Group's cost of sales was primarily attributable to the increase in sales volumes of Golden Throat Lozenges (OTC) with iron case, which led to the increase in packaging costs.

The table below sets forth, for the periods indicated, the components of its cost of sales and the components as a percentage of total cost of sales.

	Year ended 31 December 2016		31 December 2015 Year ended	
	RMB'000	***% of total***	*RMB'000*	*% of total*
Packaging materials	**89,794**	**42.1%**	74,236	40.2%
Raw materials	**42,642**	**20.0%**	41,265	22.3%
Labor costs	**50,755**	**23.8%**	53,460	28.9%
Depreciation	**4,308**	**2.0%**	3,954	2.1%
Commission processing fee	**3,047**	**1.4%**	–	–
Other costs	**22,685**	**10.7%**	11,903	6.5%
Total	**213,231**	**100%**	184,818	100%

Gross Profit

Gross profit represents the excess of revenue over cost of sales.

For the year ended 31 December 2016, the Group's gross profit increased to RMB554.9 million, as compared to RMB522.1 million for the year ended 31 December 2015, representing an increase of approximately RMB32.8 million, or 6.3%. The increase in the Group's gross profit was broadly in line with its revenue growth. The Group's gross profit margin decreased to 72.2% for the year ended 31 December 2016 from 73.9% for the corresponding period of 2015.

Other Income and Gains

The Group's other income and gains mainly comprised government grants, interest income and investment income. For the year ended 31 December 2016, the Group's other income and gains increased to RMB30.3 million, as compared to RMB27.3 million for the year ended 31 December 2015, representing an increase of approximately RMB3.0 million. The increase is mainly due to the interests generated from the corporate bonds and notes acquired by the Group for the year.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consisted of (i) advertising expenses, (ii) promotion expenses, (iii) transportation expenses, (iv) employee benefit expenses, (v) travel and office expenses, (vi) marketing expenses, and (vii) other miscellaneous expenses. For the year ended 31 December 2016, the Group's selling and distribution expenses amounted to approximately RMB319.0 million, as compared to RMB255.4 million for the year ended 31 December 2015, representing an increase of approximately RMB63.6 million, or 24.9%. The increase was mainly due to the Group's advertising expenses in connection with the promotion of Herbal Vegetable Beverages.

Administrative Expenses

The Group's administrative expenses primarily consisted of (i) salary and welfare expenses for management and administrative personnel, (ii) travel and office expenses, (iii) research and development costs, (iv) depreciation and amortisation costs relating to its office equipment, (v) amortisation of land use rights, (vi) professional services fees incurred for legal, tax and other services, and (vii) other miscellaneous expenses. For the year ended 31 December 2016, the Group's administrative expenses amounted to approximately RMB69.2 million, as compared to RMB78.4 million for the year ended 31 December 2015, representing a decrease of approximately RMB9.2 million, or 11.7%. The decrease was mainly due to the listing expenses incurred in connection with the Company's listing on the Stock Exchange during the year ended 31 December 2015, whereas there was no such expenses occurred in 2016.

Other Expenses

The Group's other expenses primarily consisted of (i) donations for charity purposes, (ii) bad debt provision for trade and other receivables, and (iii) exchange losses. For the year ended 31 December 2016, the Group's other expenses amounted to approximately RMB14.4 million, as compared to RMB3.1 million for the year ended 31 December 2015, representing an increase of approximately RMB11.3 million or 364.5%. The increase was mainly because the Group held a substantial amount of foreign currencies during 2016 as compared to 2015 and the exchange rate fluctuations have resulted in exchange losses.

Finance Costs

For the year ended 31 December 2016, the Group's finance costs amounted to RMB7.3 million, as compared to RMB10.1 million for the year ended 31 December 2015, representing a decrease of approximately RMB2.8 million or 27.7%. The decrease was mainly due to no discounting of bank acceptance bills recorded for 2016, whereas the interest expenses were incurred from discounting of bank acceptance bills by the Group in 2015.

Income Tax Expense

For the year ended 31 December 2016, the Group's income tax expense amounted to RMB72.4 million, as compared to RMB47.8 million for the year ended 31 December 2015, representing an increase of RMB24.6 million or 51.5%. The effective tax rate for the year ended 31 December 2016 and the corresponding period of 2015 was 41.3% and 23.6% respectively. The increase in such income tax expense and effective tax rate was mainly attributable to the fact that the Group no longer enjoys the former tax preferential policy for pre-tax deduction of advertising expenses and business promotion expenses of pharmaceutical manufacturers, which was no longer in effect since 1 January 2016.

Net Profit

The Group's net profit for the year ended 31 December 2016 was approximately RMB102.9 million, as compared to RMB154.6 million for the year ended 31 December 2015, representing a decrease of approximately RMB51.7 million or 33.4%. The decrease in net profit of the Group was mainly due to the losses incurred from Herbal Vegetable Beverages business. However, the performance of the traditional business such as Golden Throat Lozenges (OTC) and Golden Throat Lozenge Series Products was still on the rise. The development of the Herbal Vegetable Beverages business will be furthered in accordance with a prudent operating concept in 2017.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Net Current Assets

As of 31 December 2016, the Group had net current assets of approximately RMB857.9 million, as compared to RMB885.8 million as of 31 December 2015. The current ratio of the Group decreased to approximately 3.0 as of 31 December 2016 from 3.8 as of 31 December 2015. The decrease in net current assets was mainly attributable to the increase in the Group's income tax payable, dividend payable and provision for expenses as of 31 December 2016.

Borrowings and the Pledge of Assets

As of 31 December 2016, the Group had aggregate interest-bearing bank borrowings of approximately RMB66.0 million, as compared to approximately RMB91.7 million as of 31 December 2015. All the bank borrowings are repayable within one year. As of 31 December 2016, the bank borrowings were made up of bank loans. The decrease in bank borrowings was mainly attributable to the relatively sufficient level of working capital of the Group for the year.

All of the Group's bank borrowings for the year ended 31 December 2016 were at fixed interest rates. For details of such borrowings, please refer to Note 14 of the Group's financial statements above.

The Group continues to manage its balance sheet and capital structure with a solid equity base, adequate working capital and credit facilities. The Group has various policies governing accounting control, as well as credit and foreign exchange risks and treasury management. The Group has also been paying close attention to asset and liability management, including liquidity risks and currency risks.

Certain of the Group's leasehold lands with an aggregate net carrying value of RMB16.7 million was pledged to secure bank loans as of 31 December 2016, as compared to RMB38.3 million as of 31 December 2015.

Certain of the Group's buildings with an aggregate net carrying value of RMB1.6 million was pledged to secure bank loans as of 31 December 2016, as compared to RMB1.7 million as of 31 December 2015.

No bills receivable of the Group were pledged to secure bank loans as of 31 December 2016, as compared to RMB1.7 million as of 31 December 2015. The decrease in the amount of bills receivable pledged was primarily due to the relatively sufficient level of working capital of the Group for the year.

Gearing Ratio

As of 31 December 2016, the gearing ratio of the Group, which is calculated by dividing total borrowings by total equity, decreased to approximately 6.7% from approximately 9.5% as of 31 December 2015. The decrease was primarily attributable to the decrease in the Group's bank borrowings from RMB91.7 million as of 31 December 2015 to RMB66.0 million as of 31 December 2016 and the increase in total equity from RMB968.4 million as of 31 December 2015 to RMB986.8 million as of 31 December 2016.

Contingent Liabilities

As of 31 December 2016, the Group had no significant contingent liabilities.

Foreign Exchange Risk

The Group's transactions are mainly denominated and settled in RMB. The Group had certain amounts of deposits and available-for-sale investments in HKD and USD, amounting to HK$150.6 million and US$47.2 million as of 31 December 2016, respectively. Therefore, the Group has exposure to foreign exchange risk that arises from fluctuations in the exchange rates of HKD to RMB and USD to RMB.

Since March 2016, the Group has commenced purchasing USD-denominated corporate bonds and notes. As of 31 December 2016, the balance of corporate bonds and notes amounted to US$45.4 million.

For the year ended 31 December 2016, the Group had not used any financial instruments to hedge its foreign exchange risk.

EMPLOYEES AND EMOLUMENTS POLICY

As of 31 December 2016, the Group employed a total of 1,005 full-time employees, as compared to a total of 1,144 full-time employees as of 31 December 2015. The staff costs, including Directors' emoluments but excluding any contributions to pension scheme, were approximately RMB65.5 million for the year ended 31 December 2016 as compared to RMB64.7 million for the corresponding period in 2015. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employees. In addition to a basic salary, year-end bonuses are offered to those staffs with outstanding performances to attract and retain capable employees of the Group.

SIGNIFICANT INVESTMENTS HELD

For the year ended 31 December 2016, save as disclosed below, the Group did not have any significant investments.

1. On 17 February 2016, Golden Throat Company established Golden Throat Food Company, which, pursuant to the Investment Agreement, will have a term of operation of 30 years from the date of establishment (i.e. 17 February 2016). Golden Throat Food Company is principally engaged in the development and sales of food and beverages, including Golden Throat Herbal Vegetable Beverages Series Products. As disclosed in the Company's announcement dated 3 June 2016, Golden Throat Company entered into the Investment Agreement with Qifeng and Haode Investment to increase the capital of Golden Throat Food Company on 3 June 2016. After completion of the above capital increase, the total registered capital of Golden Throat Food Company will be increased to RMB100 million.

2. On 31 March 2016, Golden Throat Company established Golden Throat Import & Export Company, which has a term of operation of 20 years from the date of establishment (i.e. 31 March 2016) and a total registered capital of RMB2.1 million. Golden Throat Import & Export Company, a wholly-owned subsidiary of Golden Throat Company, is principally engaged in the import and export trading of goods. As mentioned above, the Group has engaged Golden Throat Import & Export Company to sell its products to overseas markets, and therefore it plays an important role in the Group's distribution network.

3. On 19 April 2016, Golden Throat Company established Golden Throat Biological Technology, which has a term of operation of 20 years from the date of establishment (i.e. 19 April 2016) and a total registered capital of RMB2 million. Golden Throat Biological Technology, a wholly-owned subsidiary of Golden Throat Company, is principally engaged in the research and development, processing and sales of the Herbal Vegetable Beverages concentrates. It sells the Herbal Vegetable Beverages concentrates to Golden Throat Food Company, and therefore it will play an important role in the production of Golden Throat Herbal Vegetable Beverages Series Products.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 31 December 2016, the Group committed to invest approximately RMB85.8 million for the purpose of constructing a new medicines production and research and development base in Luowei Industrial Concentration Area, Liuzhou, Guangxi Zhuang Autonomous Region. Save as mentioned above, the Group currently does not have other plans for material investments or capital assets.

PROSPECTS

The Group will continue to seek to strengthen its leading position in the lozenge market and continue to expand its market share in the PRC pharmaceutical and food markets. Moreover, it will aim to increase its production capacities, expanding its product portfolio and strengthening its research and development capabilities. It will enhance its food and other pharmaceutical businesses and promote synergies across different product segments, at the same time enhancing its brand recognition through effective and targeted marketing. Furthermore, the Group will continue to expand its distribution network, refining associated infrastructure and leveraging on existing distribution network to market different products.

USE OF NET PROCEEDS FROM LISTING

The IPO Proceeds (including those shares issued pursuant to the partial exercise of the over-allotment options), after deducting underwriting fees and related expenses, amounted to approximately HK$909.6 million, which are intended to be applied in the manner disclosed in the Prospectus. Details of the use of the IPO Proceeds are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at 31 December 2016, there was no change to the intended use of the IPO Proceeds as disclosed in the Prospectus.

As at 31 December 2016, the Group had utilised approximately HK$267.95 million, representing approximately 29.46% of the IPO Proceeds. Set out below is a summary of the utilisation of the IPO Proceeds:

Use of IPO Proceeds	**Utilised**	
	HK$'000	*% of IPO Proceeds*
Construction in Luowei Industrial Concentration Area	6,465	0.71
Conversion of headquarters	–	–
Market expansion	164,650	18.10
Product development	2,686	0.30
Establishment of Chinese herbs processing base	–	–
Refinement and Upgrade of electronic code system	3,193	0.35
General working capital	90,960	10.00

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK$0.06 per share for the year ended 31 December 2016 to the shareholders of the Company. The final dividend is subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting and, if approved, will be payable on or before 30 June 2017.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance.

Except as disclosed below, the Company has complied with all the applicable code provisions set out in the CG Code for the year ended 31 December 2016.

Under code provision A.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors or explain the reason for not doing so. The Board believes that with regular and timely communications among the Directors and the management of the Group, potential claims and legal actions against the Directors can be handled effectively without the need for insurance to be maintained. The Board will regularly review the procedures in handling potential claims and legal actions and take into account the requirements of the Directors and will monitor the need for making such an arrangement.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. After having made specific enquiry to all Directors, the Company confirmed that all the Directors have complied with the required standards set out in the Model Code for the year ended 31 December 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

In 2016, the Company purchased certain of its shares on the Stock Exchange and these shares were subsequently cancelled by the Company on 8 December 2016. The summary details of those transactions are as follows:

Month	Number of shares repurchased	Price per share Highest	Price per share Lowest	Total price paid
		HK$	*HK$*	*HK$*
October 2016	3,480,000	4.38	3.92	14,285,380
November 2016	6,401,000	4.15	4.02	26,299,690
	9,881,000			40,585,070

The purchased shares were cancelled during 2016 and the total amount paid for the purchases of HK$40,585,070 was paid out of share capital and share premium of the Company.

In addition, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2016.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the Board the accounting principles and policies adopted by the Group, the annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2016. The Audit Committee has also reviewed the effectiveness of the Group's risk management and internal control systems and considers such systems in place to be effective and adequate.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2016 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.goldenthroat.com), and the annual report for the year ended 31 December 2016 containing all the information required by the Listing Rules will be despatched to the Shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Golden Throat Holdings Group Company Limited
JIANG Peizhen
Chairman

Guangxi, the PRC, 30 March 2017

As at the date of this announcement, the Board consists of Ms. JIANG Peizhen as non-executive Director, Mr. ZENG Yong, Mr. HUANG Jianping, Mr. ZENG Kexiong, Mr. LU Xinghong and Mr. HE Jinqiang as executive Directors, and Mr. LI Hua, Mr. ZHU Jierong and Mr. CHENG Yiqun as independent non-executive Directors.