Enjoyhu International Co., Limited
and its controlled entities

(A company incorporated in Hong Kong)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

	Note	2016 RMB'000	2015 RMB'000
Revenue	3	415,222	340,020
Cost of sales		(189,494)	(156,060)
Gross profit		**225,728**	**183,960**
Other revenues	3	1,555	3,631
Sales and marketing		(76,406)	(64,019)
Distribution and freight		(14,454)	(12,640)
Research and development		(13,063)	(8,867)
Other expenses	4	(15,297)	(10,020)
Finance costs	5	(3,493)	(4,119)
Profit before income tax		**104,570**	**87,926**
Income tax expense	6	(26,315)	(22,442)
Profit for the year		**78,255**	**65,484**
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the parent		**78,255**	**65,484**

Consolidated Statement of Financial Position

As at 31 December 2016

	Note	2016 RMB'000	2015 RMB'000
Current assets			
Cash and cash equivalents	9	25,946	17,653
Trade and other receivables	10	74,954	72,234
Inventory	11	10,076	10,458
Available for sale financial assets	12	-	22,275
Total current assets		110,976	122,620
Non-current assets			
Property, plant and equipment	13	58,619	64,528
Land use rights	14	2,374	2,437
Total non-current assets		60,993	66,965
Total assets		**171,969**	**189,585**
Current liabilities			
Trade and other payables	15	34,750	30,838
Financial liabilities	16	27,400	53,927
Current tax liabilities	17	8,525	9,443
Total current liabilities		70,675	94,208
Non-current liabilities			
Financial liabilities	16	-	1,759
Total non-current liabilities		-	1,759
Total liabilities		**70,675**	**95,967**
Net assets		**101,294**	**93,618**
Equity			
Issued capital	18	10,000	10,000
Reserves	20	5,000	5,000
Retained earnings		86,294	78,618
Total equity		**101,294**	**93,618**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

	Issued capital RMB'000	Statutory Reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2015	**10,000**	**5,000**	**63,134**	**78,134**
Dividend declared/paid	-	-	(50,000)	(50,000)
Transactions with owners as their capacity as owners	**-**	**-**	**(50,000)**	**(50,000)**
Profit for the year	-	-	65,484	65,484
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**65,484**	**65,484**
Balance at 31 December 2015	**10,000**	**5,000**	**78,618**	**93,618**
Dividend declared/paid	-	-	(70,579)	(70,579)
Transactions with owners as their capacity as owners			**(70,579)**	**(70,579)**
Profit for the year	-	-	78,255	78,255
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**78,255**	**78,255**
Balance at 31 December 2016	**10,000**	**5,000**	**86,294**	**101,294**

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 RMB'000	2015 RMB'000
Cash flows from operating activities			
Receipts from customers		483,090	376,297
Payments to suppliers and employees		(367,514)	(297,477)
Government subsidies received		1,455	3,454
Interest received		100	177
Donations paid		(202)	-
Finance costs		(3,493)	(4,119)
Income tax paid		(27,234)	(20,942)
Net cash provided by (used in) operating activities	23	86,202	57,390
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,320)	(337)
Proceeds from sale of available for sale financial assets		22,275	6,000
Purchase of available for sale financial asset		-	(24,175)
Net cash provided by (used in) investing activities		20,955	(18,512)
Cash flows from financing activities			
Proceeds from borrowings		27,594	61,542
Repayments for borrowings		(55,879)	(55,855)
Dividend paid		(70,579)	(50,000)
Net cash provided by (used in) financing activities		(98,864)	(44,313)
Net change in cash and cash equivalents held		8,293	(5,435)
Cash and cash equivalents at beginning of financial year		17,653	23,088
Cash and cash equivalents at end of financial year	9	25,946	17,653

Notes to the Consolidated Financial Statements for the year ended 31 December 2016

1 Statement of significant accounting policies

The consolidated financial report is a general purpose financial report that has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Enjoyhu International Co., Ltd ("Enjoyhu") is a company limited by registered capital contribution made by owners incorporated and domiciled in Hong Kong.

Xiamen Olibo Trading Co., Ltd ("Olibo"), wholly owned subsidiary of Enjoyhu, is a company limited by registered capital contribution made by owners incorporated and domiciled in the People's Republic of China.

Xiamen Eagledon Pharmaceutical Co., Ltd ("Eagledon"), wholly owned subsidiary of Enjoyhu, is a company limited by registered capital contribution made by owners, incorporated and domiciled in the People's Republic of China.

Collectively, they are known as the "Group".

The consolidated financial statements were authorised for issue by the directors on 17 February 2017.

Basis of consolidation

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

Significant accounting policies

a. Principle of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Enjoyhu International Co., Limited. A controlled entity is any entity that Enjoyhu International Co., Limited has the power to control the financial and reporting policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 28 to the financial statements. All controlled entities have a December financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year, where controlled entities have entered the Group during the year, their operating results have been included from the date control was obtained.

All inter-company balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Business Combination

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties, both before and after the business combination, and control is not transitory.

Enjoyhu International Co., Limited, Xiamen Olibo Trading Co., Limited and Xiamen Eagledon Pharmaceutical Co., Limited are controlled by the same shareholders before and after the business combination, and the control is not transitory. Therefore, the business combination represents a common control combination.

Business combination involving entities under common control is scoped out under IFRS 3 *Business Combination*. IFRS provides no guidance on the accounting for these types of transactions; however requires an entity to develop and accounting policy. The two most common methods utilised are the acquisition method and the pooling of interest-type method (predecessor method).

Management have determined that the pooling of interest-type method to be the most appropriate. The pooling of interest-type method requires that the financial statements to be prepared using the predecessor book value without any step up to fair value. The differences between any consideration given and aggregate book value of the assets and liabilities of the acquired entity are recorded as an adjustment to equity. This may be recorded in retained earnings / reserve and no additional goodwill is created by the transaction. The comparatives have been presented as if the combination had occurred from the date when the combining entities first came under the control of the controlling parties.

All transaction costs incurred in relation to the business combination are expenses to the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

Consolidated Financial Statement Presentation
The consolidation financial statements (post combination) can be presented using one or two methods. The first method, being the consolidated financial statements can incorporate the acquired entity's results as if both entities (acquirer and acquire) had always been combined. Alternatively the consolidated financial statements can incorporate the acquired entity's results only from the date on which the transaction occurred.

Management have determined to use option one – reporting comparatives as though the Group had always been combined.

b. Foreign Currency Translation

Functional and presentation currency
The consolidated financial statements are presented in Chinese Yuan (RMB), which is the functional currency of the main operating subsidiary, Xiamen Eagledon Pharmaceutical Co., Limited.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the RMB are translated into RMB upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into RMB at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into RMB at the closing rate. Income and expenses have been translated into RMB at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

c. Income Tax

The income tax expense for the year comprises current income tax expense.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property, Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Residual Value	Depreciation Basis
Office equipment	3-5 years	5%	Straight line
Manufacturing equipment	5-20 years	5%	Straight line
Motor vehicle	4-10 years	5%	Straight line
Buildings	20 years	5%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

e. Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis on normal operating capacity. Costs are assigned on the basis of weighted average costs.

f. Leases
Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Notes to the Consolidated Financial Statements
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Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial instruments are classified and measured as set out below.

Effective interest rate method
The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group trade and most other receivables fall into this category of financial instruments.

Notes to the Consolidated Financial Statements
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Financial assets at fair value through profit or loss
Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments
These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly in equity.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

Financial liabilities
The Group's financial liabilities include trade and other payables. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Consolidated Financial Statements
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The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

h. Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

j. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

k. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from sale of goods is recognised when the Group has transferred significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Government grants and subsidies are recognised upon receipt from the government.

All revenue is stated net of the amount of value added tax (VAT).

l. Borrowings

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption being recognised in the statement of profit and loss and other comprehensive income over the period of the borrowing on an effective interest basis.

m. Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the Local Taxation Office. In these circumstances, the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

n. Research and Development (R&D)

Expenditure associated with the research and development of products are recognised as an expense as incurred. R&D expenditures are recognised as intangible assets when they are directly attributable to the design and testing of identifiable and unique products.

R&D expenditures have not been recognised as an intangible asset during the current period as expenditures are not directly attributable to the design and testing of an identifiable and unique product.

o. Segment Reporting

Operating segments are presented on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

p. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

q. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates – Accounting of Business Combination

The Group assesses the accounting implication of business combination (Refer Note 1a and Note 2) using IFRS 3 *Business Combinations*. Management have determined that the pooling of interest-type method to be the most appropriate method to account for the business combination

r. Land use rights

Land use rights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of land use rights over their estimated useful lives.

s. Accounting standards not yet effective

At the date of the authorisation of the financial statements, a number of new accounting standards and interpretations that have been published that are not mandatory for current reporting period. In the Director's opinion, the following standards on issue but not yet effective are most likely to impact the amounts reported by the Group in future financial periods:

- IFRS 9 *Financial Instruments (2015)(Application date: 1 January 2018)*
- IFRS 15 *Revenue from Contracts with Customers (Application date: 1 January 2018)*
- IFRS 16 *Leases (Application date: 1 January 2019)*

Based on the Group's preliminary assessment, the above standards are not expected to have a material impact on the transaction and balances recognised in the financial statements when they are adopted.

t. Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand Chinese Yuan (RMB), or in certain cases, the nearest Chinese Yuan (RMB).

Notes to the Consolidated Financial Statements
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2 Business Reconstruction

Pursuant to a Share Transfer Agreement dated 15 November 2016, 100% of the contributed capital of Xiamen Eagledon Pharmaceutical Co., Limited ("Eagledon") was transferred to Xiamen Olibo Trading Co., Limited ("Olibo"), which is a wholly owned subsidiary of the Group's parent – Enjoyhu International Co., Limited ("Enjoyhu").

Through this transaction effective control of Eagledon was passed to the shareholders of Enjoyhu. The nature and substance of this transaction is a group restructure where following the reconstruction Enjoyhu took control of Xiamen Eagledon with no change in underlying control. This transaction is one referred to as a common control transaction in *IFRS 3 Business Combinations* (Refer Note 1a).

Enjoyhu was incorporated specifically for the purpose of this transaction and subsequent equity raising activities, the fair value of the equity instruments issued has been estimated by reference to the value of historical (Eagledon's) net assets as of 31 December 2016.

The following has been extracted from the financial information of Eagledon as at 31 December 2016:

The assets and liabilities of Eagledon were:

	RMB'000
Cash and cash equivalents	25,936
Trade and other receivables	74,954
Inventory	10,076
Property, plant and equipment	58,619
Land use rights	2,374
Trade and other payables	(34,730)
Financial liabilities	(27,400)
Current tax liabilities	(8,525)
Total net assets acquired	**101,304**
Accounted for as:	
Contributed capital	10,000
Reserves	5,000
Retained earnings	86,304
	101,304

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

3 Revenue

Operating activities	2016 RMB'000	2015 RMB'000
Sales of Goods	415,222	340,020
Total Revenue	415,222	340,020
Non-operating activities		
Government subsidies	1,455	3,454
Interest received	100	177
Total Other Income	1,555	3,631

4 Expenses

	2016 RMB'000	2015 RMB'000
Depreciation and amortisation		
Included in:		
- Cost of sales – manufacturing	4,565	4,556
- Expenses – R&D	2,064	2,060
- Other	662	851
Total depreciation and amortisation expenses	7,291	7,467
Employee benefits		
Included in:		
- Cost of sales – manufacturing	9,774	7,946
- Sales staff – sales and marketing	10,002	9,285
- Other (Administration)	8,215	7,118
Total employee benefits	27,991	24,349

5 Finance Costs

	2016 RMB'000	2015 RMB'000
Finance costs		
Interest expense for short term borrowings	3,471	4,106
Other	22	13
Total finance costs	3,493	4,119

Notes to the Consolidated Financial Statements
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6 Income Tax Expense

	2016 RMB'000	2015 RMB'000
The components of tax expense comprise:		
Current tax	26,315	22,442
Total income tax expense	26,315	22,442
Reconciliation of tax expense		
Profit before income tax	104,570	87,926
Prima facie tax payable on profit before income tax at Hong Kong tax rate of 16.5%	17,254	14,508
Adjustment to income tax expense due to:		
Differences to income tax rates in foreign subsidiaries	8,889	7,474
Foreign losses not recognized	-	-
Losses in the parent entity not recognised	(1)	-
Over/under accrual in prior periods	173	460
Income tax attributable to the Group	26,315	22,442
The applicable weighted average effective tax rate are as follows:	25%	26%

Enjoyhu International Co., Limited is subjected to the income tax law of Hong Kong (16.5%) and its subsidiaries, Xiamen Olibo Trading Co., Limited and Xiamen Eagledon Pharmaceutical Co., Ltd are both subjected to the tax law of the People's Republic of China (25%).

7 Segment Reporting

The Group operates in one segment being the manufacturing and distribution of nutritional products via its main operating subsidiary, Xiamen Eagledon Pharmaceutical Co., Limited. This is based on the internal reports that are reviewed and used by the Board of Directors/Management Committee, who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and determining the allocation of resources.

The Group operates predominately in one geographical area where sales revenue is generated and non-current assets are located, being the People's Republic of China. The Group assets and liabilities are not specifically allocated to operating segments.

The Board has considered the requirements of IFRS 8 *Operating Segments* and the internal reports that are reviewed by the CODM in allocating resources and have concluded at this that there are no separately identifiable segments as there is currently no discrete financial information received by the chief operation decision maker.

Notes to the Consolidated Financial Statements
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8 Auditors' Remuneration

	2016 RMB'000	2015 RMB'000
Remuneration of the auditor of the Group		
- auditing or reviewing the financial report	458	317
- investigating Accountant's Report	46	-
Total auditor's remuneration	504	317

9 Cash and Cash Equivalents

	2016 RMB'000	2015 RMB'000
Cash on hand	98	143
Cash at bank	25,848	17,510
Total cash and cash equivalents	25,946	17,653

10 Trade and Other Receivables

	2016 RMB'000	2015 RMB'000
Current		
Trade receivables	74,753	71,863
Other receivables	201	371
Total current trade and other receivables	74,954	72,234

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The group does not hold any collateral as security over any receivable balance, nor does it hold any restrictions of title.

The average credit period on sales of goods is 60 days. Extended credit terms may be provided through negotiation with customers. No interest is charged on trade receivables.

Some of the unimpaired trade receivables are past due as at the reporting date. These relate to customers who have a good credit history with the Group and are expected to be recovered in full.

The age of trade receivables past due but not impaired is as follows:

	2016 RMB'000	2015 RMB'000
61 – 180 days	472	5
181-365 days	34	17
Total	506	22

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

11 Inventory

	2016 RMB'000	2015 RMB'000
Current – at cost		
Raw material	4,203	2,311
Finished good	703	6,078
Work in progress	5,170	2,069
Total inventory	10,076	10,458

12 Available for Sale Financial Assets

		2016 RMB'000	2015 RMB'000
Current			
- Xiamen Ying Jun Agricultural Development Co., Limited	(i)	-	22,275
Total available for sale financial asset		-	22,275

Available for sale financial assets comprises of equity interest in the following unquoted private entities:

(i) **Xiamen Ying Jun Agricultural Development Co., Limited**
The Group invested in Xiamen Ying Jun Agricultural Development Co., Limited aiming to plant raw materials for herb based nutritional products of the Group. The amount was recognised at cost as the equity holding was not listed and there is no observable market data. The investment was subsequently sold to an unrelated party on 22 June 2016 at the carrying value at that time.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

13 Property, Plant and Equipment

	2016 RMB'000	2015 RMB'000
Machinery and Office Equipment		
At cost	42,342	42,081
Accumulated depreciation	(20,676)	(16,359)
Total machinery and office equipment	21,666	25,722
Buildings		
At cost	55,145	55,145
Accumulated depreciation	(19,790)	(17,171)
Total buildings	35,355	37,974
Motor Vehicles		
At cost	3,401	2,342
Accumulated depreciation	(1,803)	(1,515)
Total motor vehicles	1,598	827
Accounting Software		
At cost	154	154
Accumulated depreciation	(154)	(149)
Total accounting software	-	5
Total property, plant and equipment	**58,619**	**64,528**

The buildings have been pledged against short-term borrowings with financial institutions. (Refer Note 16)

a Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Machinery and Office Equipment RMB'000	Buildings RMB'000	Motor Vehicles RMB'000	Accounting Software RMB'000	Total RMB'000
Balance at 31 December 2014	**29,950**	**40,593**	**1,017**	**36**	**71,596**
Additions	337	-	-	-	337
Depreciation expense	(4,565)	(2,619)	(190)	(31)	(7,405)
Balance at 31 December 2015	**25,722**	**37,974**	**827**	**5**	**64,528**
Additions	261	-	1,059	-	1,320
Depreciation expense	(4,317)	(2,619)	(288)	(5)	(7,229)
Balance at 31 December 2016	**21,666**	**35,355**	**1,598**	**-**	**58,619**

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

14 Land use Rights

	2016 RMB'000	2015 RMB'000
Cost	3,117	3,117
Accumulated Amortisation	(743)	(680)
Total land use rights	2,374	2,437

a Movements in Carrying Amounts

Movement in the carrying amounts for land use right between the beginning and the end of the current financial year:

	Land use rights RMB'000
Balance at 31 December 2014	**2,499**
Amortisation expense	(62)
Balance at 31 December 2015	**2,437**
Amortisation expense	(63)
Balance at 31 December 2016	**2,374**

1) Land use rights relate to the following:

Location	Use of property	Land area (sq.metres)	Tenure
Land Registration – Xiamen Xiamen, Tong An, Mei He (Third) Road, #220-228	Industrial Plant	15,934	50 years (valid until 3 Feb 2055)

15 Trade and Other Payables

	2016 RMB'000	2015 RMB'000
Current		
Trade payables	18,449	16,939
Other taxes payable	6,796	6,004
Salary payable	8,860	7,589
Other payables	626	306
Other payables – related parties	19	-
Total trade and other payables	34,750	30,838

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

16 Financial Liabilities

	2016 RMB'000	2015 RMB'000
Current		
Short-term borrowings*/**	27,400	53,000
Current portion of long-term borrowings	-	927
Non-current		
Long-term borrowings	-	1,759
Total financial liabilities	27,400	55,686

*Short term borrowings are secured by buildings owned by the Group (Refer Note 13). Personal guarantees are also provided by Mr. ZHANG Ming Wang and Ms. CHEN Lin Xiang (Shareholders of the Group) and also by a non-related party entity.

**Interest is payable on rates between 6.70% to 7.80% per annum for the current financial year (2015: 7.50% p.a to 9.50% p.a.).

17 Taxation

	2016 RMB'000	2015 RMB'000
Current		
Income tax payable	8,525	9,443

18 Issued Capital

	2016 RMB'000	2015 RMB'000
Issued capital	10,000	10,000

Enjoyhu International Co., Limited was incorporated on the 29th March 2016.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

19 Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, and ensure that the Group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	2016 RMB '000	2015 RMB '000
Total liabilities	70,675	95,967
Less: cash and cash equivalents	(25,946)	(17,653)
Net liabilities/(Net cash and cash equivalents)	44,729	78,314
Total equity	101,294	93,618
Net liabilities/(Net cash and cash equivalent) to equity ratio	44.18%	83.65%

20 Reserves

	2016 RMB'000	2015 RMB'000
Statutory reserve	5,000	5,000

Pursuant to the current People's Republic of China Company Law, the Group's PRC subsidiaries (Xiamen Olibo Trading Co., Limited and Xiamen Eagledon Pharmaceutical Co., Limited) are required to transfer between 5% to 10% of its profit after taxation to a statutory reserve until the surplus reserve balance reaches minimal 50% of the registered capital.

Statutory reserve

Pursuant to the current People's Republic of China Company Law, the Group's PRC subsidiaries (Xiamen Olibo Trading Co., Limited and Xiamen Eagledon Pharmaceutical Co., Limited) are required to transfer between 5% to 10% of its profit after taxation to a statutory reserve until the surplus reserve balance reaches minimal 50% of the registered capital.

For the purposes of calculating the transfer to this reserve, the profit after taxation shall be the amount determined under the People's Republic of China accounting standards. The transfer to this reserve must be made before the distribution of dividends to the shareholders.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

21 Commitments

(a) Capital Commitments

No capital commitments exist as at 31 December 2016.

(b) Operating Commitments

The following operating commitments exist as at 31 December 2016.

	2016 RMB'000	2015 RMB'000
Office leases		
Within 1 year	441	-
Between 1-5 years	677	-
Greater than 5 years	-	-
Total lease commitments	1,118	-

(c) Other Commitments

In November 2016, Xiamen Eagledon Pharmaceutical Co., Limited, subsidiary of the Group entered into an agreement with an university in Fuzhou, Fujian Province, China, to provide testing services in relation to company products, RMB1,000,000 is payable in January 2017.

22 Events After the Reporting Date

No matters or circumstances has arisen that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

23 Cash Flow Information

Reconciliation of Net Profit after Tax to Net Cash Flows from Operations

	2016 RMB'000	2015 RMB'000
Operating Profit/(Loss) after income tax	**78,255**	**65,484**
Non-cash flows in operating surplus		
Depreciation	7,229	7,405
Amortisation	62	62
Changes in assets and liabilities		
(Increase)/Decrease in trade receivables	(2,720)	(21,527)
(Increase)/Decrease in inventory	381	(569)
Increase/(Decrease) in trade payables and accruals	3,122	3,019
Increase/(Decrease) in income tax payable	(127)	3,516
Cash flows from operations	**86,202**	**57,390**

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

24 Contingent Liabilities

The following contingent liabilities exist as at 31 December 2016:

(i) Eagledon has entered into an engagement during the period for legal advice in relation to the initial public offering ('IPO') of the Group. RMB 300,000 is due contingent upon lodgement of the listing application with the Australian Securities Exchange ('ASX') or commencement of pre-application process. RMB 300,000 is due contingent upon successful listing on the Australian Stock Exchange.

(ii) Eagledon has entered into an engagement during the period for legal advice in relation to the initial public offering ('IPO') of the Group. AUD 40,000 (Australian Dollars) is due contingent upon lodgement of the IPO prospectus with ASIC. AUD 20,000 (Australian Dollars) is due contingent upon the Company receiving go ahead or no objection to the prospectus from ASIC.

(iii) Eagledon has entered into an engagement during the period for financial advisory services in relation to the IPO of the Group. RMB500,000 is due contingent upon successful listing on ASX.

As at 31 December 2016, the Group is not aware of any other contingent matters that should be disclosed in line with IFRS 37.

25 Related party transactions

a) Details of key management personnel during the year as follows:

Directors:

- ZHANG Ming Wang (CEO/General Manager)

Key Management Personnel:

- ZHANG Yu (Vice Executive Manager)
- CHEN Lin Xiang (Deputy General Manager)
- LIN Bao Xing (Vice Executive Manager)
- LAI Jia Yong (Sales Manager) (*appointed 27 August 2016*)
- HUANG Ruo Ming (Procurement Manager)
- DENG Xiao Dong (Production Manager)*(appointed 25 August 2016)*
- WANG Yu Qi (Chief Engineer)
- HUANG Sheng Qi (Financial Controller)

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

b) Transaction with related parties and key management personnel

The following comprises transactions with entities in which the Directors have an interest:

	2016 RMB'000	2015 RMB'000
Fujian Zheng Zhong Biotechnology Co., Limited *(Director related entity)*		
Advance to the related party	-	(2,400)
Xiamen Ying Jun Agricultural Development Co., Limited *(Director related entity)*		
Purchases from the related party	(1,230)	-
Advance to the related party	-	(21,775)
ZHANG Ming Wang (CEO/General Manager)		
Advance from the related party	19	-
CHEN Lin Xiang (Deputy GM)		
Advance to the related party	(775)	-
Repayment received from the related party	775	-

Related party transactions have arisen from normal course of business, no specific terms and conditions have been attached to the above transactions.

c) Related party balances

	2016 RMB'000	2015 RMB'000
ZHANG Ming Wang (CEO/General Manager)		
Other payables	19	-
CHEN Lin Xiang (Deputy General Manager)		
Other payables	-	-

d) Key Management Personnel Remuneration

The aggregate compensation made to Directors and other members of key management personnel ('KMP') of the Group is set out below:

	2016 RMB'000	2015 RMB'000
Short-term employee benefits	3,633	3,193
Post-employment benefits	54	12
Total KMP remuneration	3,687	3,205

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

26 Financial Instrument Risk Management

Risk management objectives and policies
The Group is exposed to a variety of financial risks through its use of financial instruments.

Financial instruments used
The principal categories of financial instrument used by the Group:

- Trade receivables
- Cash at bank
- Trade and other payables
- Short-term borrowings

The main types of risks are market risk, credit risk and liquidity risk.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis
The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk, customer concentration risk, and certain other price risks, which result from both its operating and investing activities

Interest rate risk sensitivity
Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group's borrowings are predominately within 1 year, and hence are subject to minimal fair value changes.

Price risk
The Group's financial instruments are not exposed to price risk.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

Financial instrument composition and maturity analysis

The table below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Weighted Average Effective Interest Rate		Interest Bearing Maturing within 1 Year		Interest Bearing Maturing within 2 Years		Non-interest Bearing Maturing within 1 Year		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
	%	**%**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Financial Assets:										
- Cash and cash equivalents (Variable interest rate)	0.35% p.a.	0.35% p.a.	-	-	-	-	25,946	17,653	25,946	17,653
- Trade and other receivables	-	-	-	-	-	-	74,954	72,234	74,954	72,234
Total Financial Assets			**-**	**-**	**-**	**-**	**100,900**	**89,887**	**100,900**	**89,887**
Financial Liabilities:										
- Trade and other payables	-	-	-	-	-	-	34,750	30,838	34,750	30,838
- Short-term borrowing	6.88% p.a.	7.85% p.a.	27,400	53,927	-	-	-	-	27,400	53,927
- Long-term borrowing	-	9.7% p.a.	-	-	-	1,759	-	-	-	1,759
Total Financial Liabilities			**27,400**	**53,927**	**-**	**1,759**	**34,750**	**30,838**	**62,150**	**86,524**
Net Financial Assets (Liabilities)									**38,750**	**3,363**

Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from default. The utilisation of credit limits by customers is regularly monitored by line management. For significant transactions, customers are required to make sufficient prepayments in order to reduce the credit risk to an acceptable level.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2016	**2015**
	RMB'000	**RMB'000**
Classes of financial assets -		
Carrying amounts:		
Cash and cash equivalents	25,946	17,653
Trade and other receivables	74,954	72,234
Available for sale financial assets	-	22,275
Total	100,900	112,162

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

The Group's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the Group's financial assets are secured by collateral or other credit enhancements.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk arises from the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt serving payments for financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

Remaining contractual maturities

The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the financial liabilities are required to be paid. The table include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted Average Effective Interest Rate		Maturing within 1 Year		Maturing within 2 Years		Total remaining contractual maturities	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial Liabilities:								
Non-interest bearing:								
- Trade and other payables	-	-	34,750	30,838	-	-	34,750	30,838
Total non-interest bearing			34,750	30,838	-	-	34,750	30,838
Interest bearing:								
- Short-term borrowing	6.88% p.a.	7.47% p.a.	28,712	56,782	-	-	28,712	56,782
- Long-term borrowing	-	9.70%	-	-	-	1,910	-	1,910
Total interest bearing			28,712	56,782	-	1,910	28,712	58,692
Total Financial Liabilities			**63,462**	**87,620**	**-**	**1,910**	**63,462**	**89,530**

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

27 Fair value measurement

Fair values
The directors consider that the carrying amounts of financial assets and liabilities recognised at amortised cost in the Financial Statements approximate their fair values.

The Group does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

Valuation techniques and assumptions applied for the purpose of measuring fair value

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price;
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Fair value measurement recognised in the statement of financial position
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels1 to 3 based on the degree to which their fair value is observable.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2016				
Available-for-sale financial assets				
Unquoted investments				
- Xiamen Ying Jun Agricultural Development Co., Limited[(ii)]	-	-	-	-
	-	**-**	**-**	**-**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2015				
Available-for-sale financial assets				
Unquoted investments				
- Xiamen Ying Jun Agricultural Development Co., Limited[(ii)]	-	-	22,275	22,275
	-	**-**	**22,275**	**22,275**

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

Available for sale financial assets comprises of equity interest in the following unquoted private entities:

(i) **Xiamen Ying Jun Agricultural Development Co., Limited**
The Group invested in Xiamen Ying Jun Agricultural Development Co., Limited aiming to plant raw materials for herb based nutritional products of the Group. The amount is recognised at cost as the equity holdings are not listed and there is no observable market data. The investment was subsequently sold to an unrelated party on 22 June 2016 at the carrying value at that time.

As noted in Note 12, it is not practicable to determine with sufficient reliability the fair value of equity interests; hence according to IFRS39 such instruments are recorded at cost and included in Level 3.

28 Controlled Entities

Details of subsidiaries controlled by Enjoyhu International Co., Ltd as at 31 December 2016 are as follows.

	Country of Incorporation	Percentage Owned (%)[1] 2016	2015
		%	%
Enjoyhu International Co., Limited	Hong Kong		
Subsidiaries of Enjoyhu International Co., Limited :			
- Xiamen Olibo Trading Co., Limited[2]	People's Republic of China	100	100
- Xiamen Eagledon Pharmaceutical Co., Limited	People's Republic of China	100	100

(1) Percentage of voting power is in proportion to ownership;

(2) Xiamen Olibo Trading Co., Limited is the intermediate parent entity of Xiamen Eagledon Pharmaceutical Co., Limited. Pursuant to a Share Transfer Agreement on 15 November 2016, Xiamen Olibo Trading Co., Limited acquired 100% of share capital in Xiamen Eagledon Pharmaceutical Co., Ltd (Refer Note 2).

(3) Xiamen Olibo Trading Co., Limited was incorporated and registered on the 11 November 2016.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2016

29 Parent Information

Statement of Financial Position	2016 RMB'000
Assets	
Current assets	8
Non-current assets	-
Total assets	8
Liabilities	
Current liabilities	-
Non-current liabilities	17
Total liabilities	-
Net assets	(9)
Equity	
Issued capital	-
Retained earnings	(9)
Total equity	(9)

Statement of Profit or Loss and Other Comprehensive Income	
Total profit (loss)	(9)
Total comprehensive income	(9)

Enjoyhu International Co., Limited was incorporated on 29 March 2016.

The parent entity had no contingent liabilities as at 31 December 2016.

The parent entity had no commitments as at 31 December 2016.

30 Company Details

The registered office of the Company is:
Enjoyhu International Co., Limited
Unit 4, 7F, Bright Way Tower
33 Mong Kok Road
Kowloon, Hong Kong.

The principle place of business of the Company is:
Xiamen Eagledon Pharmaceutical Co., Ltd
220 Meihe Third Rd, Tong'an
Xiamen, Fujian Province
China

Director’s declaration

The Directors of the Group declare that:

1. The financial statements and notes, as set out on pages 1 to 32, are in accordance with International Financial Reporting Standards and present fairly the financial position as at 31 December 2016 and of the performance for the year ended on that date of the Group.

2. In the directors’ opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Director
ZHANG Ming Wang

Dated this 17th day of February 2017

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENJOYHU INTERNATIONAL CO., LTD

We have audited the accompanying financial report of Enjoyhu International Co., Ltd (the "Company"), which comprises the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Responsibility of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard IAS 1 Presentation of Financial Statements, the financial statements and notes, comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion, the financial report of Enjoyhu International Co., Ltd,

i presents fairly, in all material respects, the consolidated entity's financial position as at 31 December 2016 and of its performance and cash flows for the year then ended; and

ii complies with International Financial Reporting Standards.

Grant Thornton,

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 17 February 2017