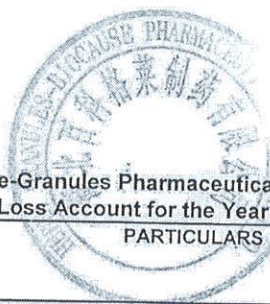


Biocause-Granules Pharmaceutical Company Ltd.
Balance Sheet as at 31st/Dec, 2016

Amount in RMB YUAN

PARTICULARS	Sch No.	As at 31 Dec, 2016	As at 31 Dec, 2015
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	66,000,000.00	66,000,000.00
Reserves & Surplus	B	48,208,858.42	22,096,536.40
Loan Funds			
Secured Loans	C	-	20,000,000.00
Total Sources of Funds		114,208,858.42	108,096,536.40
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	73,280,708.71	71,980,899.16
Less: Accumulated Depreciation		49,251,850.73	48,375,712.37
Net Block		24,028,857.98	23,605,186.79
Add: Capital Work in Progress including advances (Net) long term deferred expenses		1,213,216.49	1,213,216.49
		25,242,074.47	24,818,403.28
Deferred Tax asset		145,356.46	371,547.34
Current Assets, Loans & Advances			
Inventories	E	22,777,725.98	26,023,545.91
Sundry Debtors		29,002,002.94	46,548,962.96
Cash & Bank Balances		52,066,260.11	17,234,863.98
Other Current Assets		6,654,018.20	8,814,570.39
Loans and Advances		2,188,740.30	3,040,308.07
		112,688,747.53	101,662,251.31
Less: Current Liabilities & Provisions			
Current Liabilities	F	23,867,320.04	18,755,665.53
Provisions		-	-
Net Current Assets		88,821,427.49	82,906,585.78
Total Application of Funds		114,208,858.42	108,096,536.40
Significant accounting policies and notes to accounts	G		

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Biocause-Granules Pharmaceutical Company Ltd.
Profit & Loss Account for the Year ended 31st Dec, 2016

Amount in RMB YUAN

PARTICULARS	Sch No.	For the Year ended 31-Dec-16	For the Year ended 31-Dec-15
INCOME			
Net Sales	H	229,778,974.70	224,497,938.68
Other Income	I	2,531,810.01	2,816,869.66
		232,310,784.71	227,314,808.34
EXPENDITURE			
Cost of Materials consumed	J	125,259,853.20	151,695,806.57
		54.51%	67.57%
Manufacturing Expenses	K	46,523,896.63	45,556,585.17
		20.25%	20.29%
Research & development expenses		8,070,538.62	3,589,907.74
		3.51%	1.60%
Marketing & Selling Expenses	L	6,945,405.80	6,883,892.86
		3.02%	3.07%
Administrative Expenses	M	10,216,277.67	4,441,572.21
		4.45%	1.98%
Interest and Finance Charges	N	496,855.47	1,474,667.27
		0.22%	0.66%
Depreciation	D	3,917,033.88	4,230,925.81
		1.70%	1.88%
bad and doubtful debts reserve nonoperating loss		(517,146.25)	619,099.13
Total Expenses		371,529.32	(97,573.88)
		201,284,244.34	218,394,882.88
Profit/(Loss) before tax		31,026,540.37	8,919,925.46
Less: Current Tax Expense		4,914,218.35	2,306,408.86
Deferred Tax Expense			
Net Profit/(Loss) after Taxes		26,112,322.02	6,613,516.60
Less: Provision for dividend			
Transfer to General Reserve			
Balance transferred to Balance Sheet		26,112,322.02	6,613,516.60
Add profit brought forward from previous year		22,050,931.41	15,437,414.81
Surplus carried forward to Balance Sheet		48,163,253.43	22,050,931.41
Significant accounting policies and notes to accounts	G		

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Biocause-Granules Pharmaceutical Company Ltd.
Schedules forming part of Balance Sheet as at 31st Dec, 2016

Amount in RMB YUAN

PARTICULARS		As at 31 Dec, 2016	As at 31 Dec, 2015
SCHEDULE : A			
Share Capital			
Authorised Capital		66,000,000.00	66,000,000.00
Issued, Subscribed and Paid up capital			
Equity stock		66,000,000.00	66,000,000.00
(Of the above equity shares of RMB 33 million issued for consideration otherwise than cash.)			
		66,000,000.00	66,000,000.00
SCHEDULE : B			
Reserves & Surplus			
	Op.Balance	Additions	Withdrawals
Share Premium	45,604.99		45,604.99
Profit & loss Account	22,050,931.41	26,112,322.02	48,163,253.43
Totals	22,096,536.40	26,112,322.02	48,208,858.42
		As at 31 Dec, 2016	As at 31 Dec, 2015
SCHEDULE : C			
Secured loans			
Working capital loan from bank		-	20,000,000.00
SCHEDULE : E			
Current Assets, Loans & Advances			
i) Stock in hand			
Raw Materials		9,002,541.72	10,357,209.27
Finished Goods		11,227,781.57	14,134,098.12
Consumable and packing materials		2,547,402.69	1,532,238.52
Stores and Spares			
Total		22,777,725.98	26,023,545.91
ii) Sundry Debtors			
(Unsecured, considered good)			
a) For more than six months		951,116.59	666,323.14
b) Others		28,947,855.51	47,323,157.77
Less: Provision for doubtful debts		896,969.16	1,440,517.95
Total		29,002,002.94	46,548,962.96
iii) Cash & bank balances			
Cash on hand		731.27	769.60
Bank Balances:			
- in current account		49,766,590.66	13,519,032.49
- in deposit accounts (including margin money)		2,298,938.18	3,715,061.89
Total		52,066,260.11	17,234,863.98
iv) Other current assets			
Notes receivable		3,030,530.00	6,421,698.70
Other receivables		3,623,488.20	2,392,871.69
Total		6,654,018.20	8,814,570.39
v) Loans & Advances			
Advances to suppliers		2,188,740.30	3,040,308.07
VAT refunds due			
Total		2,188,740.30	3,040,308.07
SCHEDULE : F			
Current liabilities & Provisions			
Current liabilities			
Creditors for goods & services		9,131,748.17	8,786,743.13
Interest accrued but not due			
Other Liabilities		14,735,571.87	9,968,922.40
Total		23,867,320.04	18,755,665.53
Provisions			
Provision for taxation (net of advances)			
Provision for dividend			
Total			

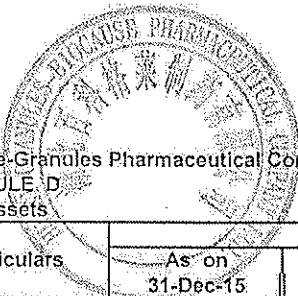
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Biocause-Granules Pharmaceutical Company Ltd.
Schedules forming part of Profit & loss Account for the Year ended 31st Dec, 2016

PARTICULARS	For the Year ended 31 Dec, 2016	For the Year ended 31 Dec, 2015
SCHEDULE : H		
Sales		
Export Sales	174,248,414.43	162,343,244.47
Domestic Sales	57,184,083.60	63,383,036.10
selling taxes and surcharges	1,653,523.33	1,228,341.89
Net Sales	229,778,974.70	224,497,938.68
SCHEDULE : I		
Other Income		
Foreign currency exchange (loss) / gain	1,569,836.08	1,127,280.37
Subsidy received	125,000.00	473,500.00
Sale of Scrap	836,973.93	1,216,089.29
	2,531,810.01	2,816,869.66
SCHEDULE: J		
Cost of materials consumed		
a) Consumption of Raw material	119,146,115.38	131,215,143.91
b) Consumption of Packing Materials	3,207,421.27	3,127,491.86
c) (Increase)/Decrease in Stocks		
(i) (Increase)/Decrease in FG		
Opening stock	14,134,098.12	31,487,268.92
Closing Stock	11,227,781.57	14,134,098.12
	2,906,316.55	17,353,171
Total (Increase)/Decrease in stocks	2,906,316.55	17,353,170.80
Total cost of material consumed (a+b+c)	125,259,853.20	151,695,806.57
SCHEDULE : K		
Manufacturing expenses		
Wages	13,495,340.54	14,355,375.81
Power & Fuel	21,881,857.37	25,539,077.89
Effluent charges	-	-
Repairs & Maintenance - Plant & Machinery	8,648,169.99	3,237,156.50
Consumables & Lab Chemicals	29,423.04	32,377.46
Insurances	90,128.16	67,062.20
Others	2,378,977.53	2,325,535.31
	46,523,896.63	45,556,585.17

PARTICULARS	For the Year ended 31 Dec, 2016	For the Year ended 31 Dec, 2015
SCHEDULE: L		
Marketing & Selling Expenses:		
Salaries	435,347.46	1,093,460.93
Business Promotion expenses	2,225,912.22	2,054,941.87
Freight & Clearing charges	2,734,910.95	2,369,546.78
Advertisement	855,272.24	619,159.74
Insurance	328,716.71	581,857.02
Travelling expenses	88,473.34	7,125.50
Sundry expenses	276,772.88	157,801.02
	6,945,405.80	6,883,892.86
SCHEDULE: M		
Administrative expenses		
Salaries, Wages & bonus	1,906,101.57	1,293,245.17
Employee welfare expenses	-	-
Water and electricity	136,742.23	124,549.31
Repairs & Maintenance - Others	6,713,583.11	551,443.01
Auditors' remuneration	148,509.43	141,509.43
Insurance	8,342.87	9,436.54
Communication expenses	146,086.70	311,504.10
Printing & stationery	88,544.04	95,211.02
Travelling & Conveyance	534,854.44	453,286.24
Stamp tax and real estate tax	144,540.63	152,870.57
Bad debts written off	-	-
effluent charges	39,026.00	949,331.00
Afforest charges	28,281.02	131,849.00
Sundry expenses	321,665.63	227,336.82
	10,216,277.67	4,441,572.21
SCHEDULE: N		
Interest and Finance Charges		
Interest on Working Capital	167,230.78	1,218,215.37
Bank Charges	329,624.69	256,451.80
Foreign currency exchange (loss) / gain	-	-

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Biocause-Granules Pharmaceutical Company Ltd.

SCHEDULE D

Fixed Assets

Amount in RMB YUAN

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31-Dec-15	Additions	deletions	As on 31-Dec-16	As on 31-Dec-15	additions	deletions	As on 31-Dec-16	As on 31-Dec-16	As on 31-Dec-15
Buildings	16,730,555.86	60,500.00	-	16,791,055.86	6,278,641.94	608,579.37	-	6,887,221.31	9,903,834.55	10,451,913.92
Plant & Machinery	41,320,343.30	6,469,319.88	5,230,010.33	42,559,652.85	30,355,403.43	3,654,719.81	4,700,160.86	29,309,962.38	13,249,690.47	10,964,939.87
Technical Knowhow	13,930,000.00	-	-	13,930,000.00	11,741,667.00	1,313,000.04	-	13,054,667.04	875,332.96	2,188,333.00
Total	71,980,899.16	6,529,819.88	5,230,010.33	73,280,708.71	48,375,712.37	5,576,299.22	4,700,160.86	49,251,850.73	24,028,857.98	23,605,186.79

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