

Quarterly Results announcement form

Name of listed company : Sino Biopharmaceutical Limited

Stock code : 8027

Year end date : 31 December 2001

This result announcement form only contains extracted information from and should be read in conjunction with the detailed results announcement of the issuer, which can be viewed on the GEM website at <http://www.hkgem.com>

	(Unaudited)	(Unaudited)
	Current Period (dd/mm/yy)	Last Corresponding Period (dd/mm/yy)
	from <u>01/01/2001</u> to <u>31/03/2001</u>	from <u>01/01/2000</u> to <u>31/03/2000</u>
	HK\$'000	HK\$'000
Turnover	111,932	81,698
Profit/(Loss) from Operations	23,848	20,901
Finance cost	-343	-180
Share of Profit/(Loss) of Associates	0	0
Share of Profit/(Loss) of Jointly Controlled Entites	0	0
Profit/(Loss) after Taxation & MI	12,137	11,096
% Change Over the Last Period	9.38	%
EPS / (LPS) - Basic	HKD4.05Cents	HKD4.62Cents
- Diluted	HKD3.94Cents	N/A
Extraordinary (ETD) Gain/(Loss)	0	0
Profit (Loss) after ETD Items	12,137	11,096
1stQ * Dividend per Share (specify if with other options)	0 N/A	0 N/A
B/C Dates for 1stQ* Dividend Payable Date	N/A	N/A
B/C Dates for AGM/SGM	N/A	N/A
Other Distribution for Current Period	N/A	N/A
B/C Dates for Other Distribution	N/A	N/A

* Please delete as appropriate

(bdi: both days inclusive)

Remarks :

For and on behalf of
Sino Biopharmaceutical Ltd

Signature :

Name :

Title :

Wong Pui Shan

Company Secretary

Responsibility statement

The directors of the Company (the "Directors") as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this results announcement form (the "Information") and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief the Information are accurate and complete in all material respects and not misleading and that there are no other matters the omission of which would make the Information herein inaccurate or misleading. The Directors acknowledge that the Stock Exchange has no responsibility whatsoever with regard to the Information and undertake to indemnify the Exchange against all liability incurred and all losses suffered by the Exchange in connection with or relating to the Information.

Notes:

(1) Group reorganization and basis of preparation

The Company was incorporated in the Cayman Islands on 2 February, 2000 as an exempted company with limited liabilities under the Companies Law (2000 Revision) of the Cayman Islands. Pursuant to a reorganization scheme to rationalize the structure of the Group in preparation for the public listing of its shares in September 2000, the company became the holding company of the companies now comprising the Group on 19 September, 2000. The trading of the Company's shares on the GEM of the Stock Exchange began on 29 September, 2000.

The Group's financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, 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 the revaluation of certain fixed assets.

The consolidated financial statements have been prepared using the merger basis accounting as a result of the Group Reorganization completed on 19 September, 2000 as set out above. Under this basis, the Company has been treated as the holding company of its subsidiaries acquired through the Group Reorganization. Accordingly, the consolidated results of the Group for the three months ended 31 March 2000 include the results of the Company and its subsidiaries with effect from 1 January, 2000 or since their respective dates of incorporation, where this is a shorter period.

(2) Turnover

Turnover represents the invoiced value of goods sold, net of discounts and returns and dividend income. All significant intra-Group transactions have been eliminated on consolidation.

The Group's turnover arose from the following activities:

	2001 HK\$'000	2000 HK\$'000
Sales of goods	111,932	81,698
Dividend income	-	-
Total	<u>111,932</u>	<u>81,698</u>
	=====	=====

(3) Taxation

	2001 HK\$'000	2000 HK\$'000
Hong Kong	-	-

PRC income tax	1,761	1,799
	<hr/>	<hr/>
Total	1,761	1,799
	=====	=====

No Hong Kong profits tax has been provided for the three months ended 31 March, 2001 as there was no assessable profit arising in or derived from Hong Kong During the year.(2000:Nil)

PRC income tax is provided as the rates applicable to enterprises in the PRC on the income for statutory reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes based on existing PRC income tax regulations, practices and interpretation thereof.

Pursuant to the Income Tax Law of the PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws (the "Income Tax Laws"), joint venture companies are subject to the statutory income tax rate of 33 per cent. (30 per cent state income taxes plus 3 per cent. local income taxes) unless the enterprises is qualified as an "Advanced Technology Enterprises" or located in specially designed regions or cities for which more favorable effective tax rates apply. The Group's principal operating subsidiaries are qualified "Advanced Technology Enterprise" for which preferential tax rate of 15 per cent. applies and are entitled to an income tax exemption for two years commencing from the first profitable year (after deducting losses carried forward), and a 50 per cent. reduction for the succeeding three years.

As of 31 March,2001, the Group's principal subsidiaries are subject to income tax rate of 7.5% (2000:CTF:7.5%, CTT 12% for the first quarter of 2000. In November 2000, formal approval from the State Tax Bureau was granted and the effective tax rate for 2000 became 7.5%) There are no significant potential deferred tax liabilities for which provision has not been made.

(4) Dividends

The board of directors do not recommend an interim dividend for the three months ended 31 March 2001. (2000: Nil)

(5) Earnings per share

The calculation of the basic earnings per share is based on profit from the ordinary activities attributable to shareholders for the three month ended 31 March, 2001 of HK\$12,137,000

and the 300,000,000 ordinary shares issued during the period. The basic earnings per share for the three month ended 31 March, 2000 is based on profit of HK\$11,096,000 and on the assumption that 240,000,000 shares had been in issued throughout the year.

Diluted earnings per share for the period is based on 308,352,751 ordinary shares which is the weighted average number of ordinary shares in issued during the period plus the weighted average number of 8,352,751 ordinary shares deemed to be issued at average fair value if all outstanding options had been exercised. The comparative diluted earnings per share has not been calculated because no diluting events existed during the period.