

## 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>	from <u>01/01/2000</u>
	to <u>30/09/2001</u>	to <u>30/09/2000</u>
	HK\$'000	HK\$'000
Turnover	394,540	293,648
Profit/(Loss) from Operations	318,941	231,330
Finance cost	-1,335	-989
Share of Profit/(Loss) of Associates	0	0
Share of Profit/(Loss) of		
Jointly Controlled Entites	0	0
Profit/(Loss) after Taxation & MI	46,777	38,085
% Change Over the Last Period	22.82	%
EPS / (LPS) - Basic	15.6cents	15.8 cents
- Diluted	14.8cents	N/A
Extraordinary (ETD) Gain/(Loss)	0	0
Profit (Loss) after ETD Items	46,777	38,085
3rd Q * Dividend per Share	0	0
(specify if with other options)	N/A	N/A
B/C Dates for 3rd Q* Dividend	N/A	N/A
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 Limited

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 (the "Group Reorganization") 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 Growth Enterprise Board of the Hong Kong 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 of accounting as a result of the Group Reorganization completed on 19 September, 2000 referred to above. Under this basis, the Company has been treated as the holding company of its subsidiaries acquired through the Group Reorganization for the financial periods presented rather than from the date of their acquisition through the Group Reorganisation. Accordingly, the consolidated results of the Group for the three months and the nine months ended 30 September, 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:

	For the three months ended 30 September,		For the nine months ended 30 September,	
	2001	2000	2001	2000
	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$'000	HK\$'000	HK\$'000	HKD'000
Sales of goods	146,634	103,108	394,540	293,648
Dividend income	-	-	-	-
Total	<u>146,634</u>	<u>103,108</u>	<u>394,540</u>	<u>293,648</u>
	=====	=====	=====	=====

## (3) Taxation

	For the three months ended 30 September,		For the nine months ended 30 September,	
	2001	2000	2001	2000
	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$'000	HK\$'000	HK\$'000	HKD'000
Hong Kong	-	-	-	-
PRC income tax	2,816	2,552	7,097	7,119
	<u>2,816</u>	<u>2,552</u>	<u>7,097</u>	<u>7,119</u>

Total	2,816	2,552	7,097	7,119
	=====	=====	=====	=====

No Hong Kong profits tax has been provided for the three months and nine months ended 30 September, 2001 as there was no assessable profit arising in or derived from Hong Kong during these periods.

(2000:Nil)

PRC income tax is provided at 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. The Group

The Group's principal operating

subsidiaries are qualified "High and New Technology

Enterprise" for which preferential tax rate of 15% 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% reduction for the succeeding three years.

As of 30 September, 2001, the Group's principal subsidiaries are subject to income tax rate of 7.5% (2000: CTF:7.5%, CTT: 12% for the first nine months 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 material potential deferred tax liabilities for which provision has not been made (2000: Nil).

#### (4) Dividends

The Board does not recommend the payment of an interim dividend for the three months ended 30 September, 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 months and the nine months ended 30 September, 2001 of HK\$18,519,000 and HK\$46,777,000 respectively and the 300,000,000 ordinary shares in issue during the respectively periods. The basic earnings per share for the three months and six months ended 30 September, 2000 was based on profit of HK\$12,790,000 and HKD38,085,000 respectively and the weighted average of 241,304,348 and 240,437,956 ordinary shares in issue during the respectively periods.

Diluted earnings per share for the three months and nine months ended 30 September, 2001 is based on 300,000,000 ordinary shares which was the weighted average number of ordinary shares in issue during the period plus the weighted average number of 20,347,826 and 16,645,391 ordinary shares deemed to be issued at average fair value if all outstanding options had been exercised during the respective periods. The comparative diluted earnings per share has not been calculated because no diluting events existed during the period.