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SINO BIOPHARMACEUTICAL LIMITED

中國生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

**PROPOSED VOLUNTARY WITHDRAWAL OF LISTING
ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED,
REDUCTION OF MINIMUM NOTICE PERIOD
IN RESPECT OF THE PROPOSED WITHDRAWAL,
ADOPTION OF THE PROPOSED SHARE OPTION SCHEME,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE PROPOSED ARTICLES OF ASSOCIATION IN SUBSTITUTION
FOR THE ARTICLES OF ASSOCIATION
AND
DISCLOSURE OF CERTAIN FINANCIAL AND OTHER INFORMATION**

Financial adviser to Sino Biopharmaceutical Limited



The Company is proposing to list the Shares on the Main Board by way of Introduction. Immediately prior to the listing of the Shares on the Main Board, the listing of the Shares on GEM will be withdrawn. In connection with the Introduction, the Company proposes to adopt the Proposed Articles of Association in substitution for the Articles of Association, to terminate the Existing Share Option Scheme and to adopt the Proposed Share Option Scheme. Subject to certain conditions, the Company has applied to and has obtained from the Stock Exchange for a reduction of the minimum three months' notice required under the GEM Listing Rules to a minimum of five clear Business Days. A circular containing, among other things, a notice of the EGM has been despatched to the Shareholders on Thursday, 30 October, 2003. A listing document in connection with the Introduction has also been despatched to the Shareholders, for information purposes only, on Thursday, 30 October, 2003.

Warning:

There is no assurance that permission will be obtained from the Stock Exchange for the Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Withdrawal and the Introduction are subject to the conditions set forth below being fulfilled and thus may or may not become effective. Accordingly, the Proposed Withdrawal and the Introduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 4 April, 2003, the Company announced that it submitted an application to the Stock Exchange on 4 April, 2003 for the proposed listing of the Shares on the Main Board by way of introduction and its intention to voluntarily withdraw the listing of the Shares on GEM conditional upon, among other things, the approval of the application for the proposed listing of the Shares on the Main Board.

In connection with the Proposed Withdrawal and the Introduction, the Board proposes to seek the approval of the Shareholders at the EGM of the Proposed Withdrawal, the reduction of the minimum notice period for the Proposed Withdrawal, the adoption of the Proposed Share Option Scheme, the termination of the Existing Share Option Scheme and the adoption of the Proposed Articles of Association in substitution for the Articles of Association. Subject to certain conditions, the Company has applied to and has obtained from the Stock Exchange for a reduction of the minimum three months' notice required under the GEM Listing Rules to a minimum of five clear Business Days. A circular containing, among other things, a notice of the EGM has been despatched to the Shareholders on Thursday, 30 October, 2003. A listing document in connection with the Introduction has also been despatched to the Shareholders, for information purposes only, on Thursday, 30 October, 2003.

THE PROPOSED WITHDRAWAL AND THE INTRODUCTION

On 4 April, 2003, the Sponsor, for and on behalf of the Company, submitted an application to the Stock Exchange for the listing on the Main Board of, and permission to deal on the Main Board in, (i) the Shares in issue; (ii) any Shares which may fall to be issued upon the exercise of any option which have been granted under the Old Share Option Scheme and the Existing Share Option Scheme or any option which may, prior to the termination of the Existing Share Option Scheme, be granted thereunder or under the Proposed Share Option Scheme; and (iii) any Shares which may fall to be issued upon the exercise of the conversion rights under the 2002 Convertible Bonds or the 2003 Convertible Bonds. The Stock Exchange has informed the Sponsor that the Listing Committee has granted an approval in principle of the listing of, and permission to deal in, the Shares on the Main Board. Immediately prior to the listing of the Shares on the Main Board, the listing of the Shares on GEM will be withdrawn.

Pursuant to Rule 9.19 of the GEM Listing Rules, an issuer that has an alternative listing on another stock exchange or securities market recognised for this purpose by the Stock Exchange may not voluntarily withdraw its listing on GEM unless:—

- (a) the prior approval of the shareholders of the issuer has been obtained by way of an ordinary resolution passed at a duly convened meeting of the shareholders of the issuer; and
- (b) the issuer has given its shareholders at least three months' notice of the proposed withdrawal of listing.

In connection with the Proposed Withdrawal, the Company has applied to and has obtained from the Stock Exchange a reduction of the minimum three months' notice required under the GEM Listing Rules to a minimum of five clear Business Days, provided that:–

- (i) prior approval shall have been obtained from the Shareholders for the reduction of the notice period for the Proposed Withdrawal to a minimum of five clear Business Days;
- (ii) in respect of the Shares, there is no change in the board lot size or the share certificates, the share registrar, and the trading currency in connection with the proposal to transfer its listing status; and
- (iii) there is no other fact that leads the Stock Exchange to believe that the reduced notice period is not feasible.

Accordingly, the EGM is convened to seek the approval of the Shareholders for, among other things, the Proposed Withdrawal and the reduction of the notice period for the Proposed Withdrawal. After such approval shall have been obtained, a notice of the Proposed Withdrawal will be published not less than five clear Business Days before the Effective Date.

The Directors consider that it is in the best interest of the Shareholders and the Company as a whole that the notice period for the Proposed Withdrawal be reduced so that the Proposed Withdrawal and the Introduction can be carried out as soon as practicable after obtaining the relevant approval from the Shareholders at the EGM.

Conditions of the Proposed Withdrawal

Implementation of the Proposed Withdrawal will be conditional on, among other things:–

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Proposed Withdrawal;
- (b) the publication of a notice of the Proposed Withdrawal as required by the GEM Listing Rules after the approval of the Shareholders for the Proposed Withdrawal shall have been obtained at the EGM; and
- (c) the granting by the Listing Committee of the Stock Exchange of listing on the Main Board of, and permission to deal on the Main Board in, (i) the Shares in issue; (ii) any Shares which may fall to be issued upon the exercise of any option which have been granted under the Old Share Option Scheme and the Existing Share Option Scheme or any option which may, prior to the termination of the Existing Share Option Scheme, be granted thereunder or under the Proposed Share Option Scheme; and (iii) any Shares which may fall to be issued upon the exercise of the conversion rights under the 2002 Convertible Bonds or the 2003 Convertible Bonds.

Effects of the Proposed Withdrawal

It is expected that dealings in the Shares on GEM will cease at 9:30 a.m. on the Effective Date and dealings in the Shares on the Main Board will commence at 9:30 a.m. on the Effective Date. The Company will make a further announcement after the EGM to publish the results of the EGM and the information relating to the Proposed Withdrawal and the trading arrangement of the Shares in respect of the Proposed Withdrawal and the Introduction.

The Proposed Withdrawal and the Introduction will not have any effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and does not involve any transfer or exchange of the existing share certificates. No change is proposed to be made to the board lot size, trading currency of the Shares and the share registrars of the Company in connection with the Proposed Withdrawal and the Introduction. If and when the Shares are listed on the Main Board upon implementation of the Introduction, you may be required to sign a new client agreement with your stockbrokers.

The continuing obligations of listed issuers under the Listing Rules and the GEM Listing Rules are not the same. For example, the principal means of information dissemination by listed issuers on GEM is publication on the internet website operated by the Stock Exchange whilst the principal means of information dissemination by listed issuers on the Main Board is through newspapers. However, although listed issuers on the Main Board are not required to publish quarterly reports, the Company intends, following the listing of the Shares on the Main Board, to publish quarterly reports on a voluntary basis. Upon the listing of the Shares on the Main Board, the Company will comply with all the disclosure requirements of the Listing Rules and will make any disclosures as required under the Listing Rules.

Reasons for the Withdrawal

The Group is principally engaged in the research and development, production and sale of (i) a series of biopharmaceutical products for the medical treatment of ophthalmia, osteoarthritis and for external use to treat skin diseases; and (ii) a series of modernised Chinese medicines, chemical medicines and modern health-care products for the medical treatment of hepatitis and angiopathy of cardio-cerebral. The Group is also engaged in the research and development of a series of new medicines and modern health-care products for the medical treatment of cardiovascular and respiratory diseases. The Group also has investment in a sino-foreign equity joint venture whose principal activities include the manufacture, distribution and sale of pharmaceutical products.

Since the listing of the Shares on GEM on 29 September, 2000, the Group has experienced considerable growth in business and has gained substantial increase in public recognition. Accordingly, the Directors consider that the listing of the Shares on the Main Board will enable the Company to gain further recognition from larger institutional investors, which will enhance the public profile and recognition of the Group.

Following the listing of the Shares on the Main Board, the Group's business strategies and objectives as stated in the Prospectus will remain unchanged.

In view of the above, the Directors consider that the listing of the Shares on the Main Board can further increase the public profile and recognition of the Company and is expected to provide a synergy which is beneficial and complementary to the future growth and development of the Group.

Expected Timetable

The expected timetable for the Proposed Withdrawal and the Introduction is set forth below:–

2003

Despatch of circular, notice of the EGM and related forms of proxy for the EGM to the Shareholders	Thursday, 30 October,
Latest time for lodgement of forms of proxy for the EGM	10:00 a.m. on Saturday, 22 November,
EGM	10:00 a.m. on Monday, 24 November,
Notice of the Proposed Withdrawal to be published in The Standard (in English), Hong Kong Economic Times (in Chinese) and on the GEM website	Tuesday, 25 November,
Last day of dealings in the Shares on GEM	Friday, 5 December,
Withdrawal of listing of the Shares on GEM effective from	9:30 a.m. on Monday, 8 December,
Commencement of dealings in the Shares on Main Board	9:30 a.m. on Monday, 8 December,

FINANCIAL INFORMATION ON THE GROUP

The listing document in relation to the Introduction includes the following financial information:–

Indebtedness

Borrowings

As at the close of business on 31 August, 2003, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of the circular to the Shareholders, the Group had outstanding borrowings of approximately HK\$78.1 million which comprised an amount due to a related company of approximately HK\$0.1 million and convertible bonds payable of approximately HK\$78.0 million.

Contingent liabilities

As at 31 August, 2003, the Group had no material contingent liabilities.

Foreign exchange risk

The Group earns revenue and incurs costs and expenses mainly in RMB. The Company's accounts are stated in HK dollars and the payment of dividend will also be in HK dollars. The Group does not presently intend to use any derivative instruments in the foreign currency market to hedge the risk against fluctuations of RMB to other foreign currencies. The Directors believe that having regard to the working capital position of the Group and the convertibility of RMB to foreign currency in respect of current account items, the Group is able to meet its foreign exchange liabilities as they become due.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, neither the Company nor any of its subsidiaries at the close of business on 31 August, 2003 had any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Foreign currency translation

All amounts referred to in this indebtedness statement and under “Liquidity, financial resources and capital structure” in this section which are denominated in foreign currencies have been translated into Hong Kong dollars at the relevant exchange rates prevailing at the close of business on 31 August, 2003.

Liquidity, financial resources and capital structure

Net current assets

As at 31 August, 2003, the Group had net current assets of approximately HK\$301.3 million. Current assets comprised cash and bank balances of approximately HK\$333.4 million, inventories of approximately HK\$47.5 million, trade receivables of approximately HK\$89.3 million, prepayments, deposits and other receivables of approximately HK\$7.9 million, and amounts due from related companies of approximately HK\$0.1 million. Current liabilities comprised trade payables of approximately HK\$21.5 million, other payables and accrued liabilities of approximately HK\$143.2 million, amounts due to related companies of approximately HK\$3.6 million which arose from trading transactions, amount due to a related company of approximately HK\$0.1 million which arose from non-trading transactions, and profits tax payable of approximately HK\$8.5 million.

Capital expenditure commitments

The capital expenditure commitments of the Group as at 31 August, 2003 in relation to workshop renovation and production facilities upgrading authorised by the relevant board of directors but not contracted for and contracted for but not provided in the financial statements amounted to approximately HK\$27.3 million and approximately HK\$6.7 million, respectively. Such capital expenditure commitments are expected to be funded by the Group’s internal resources.

Financial resources

The Group generally finances its operations and meets its debt servicing with cash generated from its business operations.

As at 31 August, 2003, the Group had cash and bank balances of approximately HK\$333.4 million and did not have any banking facilities as at 31 August, 2003.

Adjusted net tangible assets

The following statement of adjusted net tangible assets of the Group is based on the consolidated net assets of the Group as at 30 April, 2003 and adjusted as described below:–

	<i>Notes</i>	<i>HK\$'000</i>
Audited consolidated net assets of the Group as at 30 April, 2003		303,904
<i>Less:</i> Goodwill and intangible assets		<u>(5,891)</u>
Audited consolidated net tangible assets of the Group as at 30 April, 2003		298,013
<i>Add:</i> Consolidated profit after tax and minority interests of the Group for the four months ended 31 August, 2003 based on its unaudited management accounts		29,854
Net surplus arising on revaluation of the Group's property interest as at 31 July, 2003	(1)	1,789
<i>Less:</i> Interim dividend	(2)	<u>(16,600)</u>
Adjusted net tangible assets		<u><u>313,056</u></u>
Adjusted net tangible asset value per Share	(3)	<u><u>HK\$0.94</u></u>

Notes:–

- (1) Based on the revaluation performed by DTZ Debenham Tie Leung Limited, an independent firm of professional surveyors, the surplus will be incorporated into the Group's financial statements for the year ending 31 December, 2003 and an additional depreciation charge of approximately HK\$81,000 per annum will be incurred.
- (2) On 8 August, 2003, the Directors recommended an interim dividend of HK5 cents per Share totalling HK\$16,600,000. The dividend was paid on 15 September, 2003 to Shareholders whose names appeared on the register of members of the Company on 4 September, 2003.
- (3) Based on the 332,000,000 Shares in issue upon the Introduction, but taking no account of any Shares which may be issued pursuant to the exercise of any option which have been granted under the Old Share Option Scheme or the Existing Share Option Scheme or may, prior to the termination of the Existing Share Option Scheme, be granted thereunder or under the Proposed Share Option Scheme, or upon the exercise of the conversion rights under the 2002 Convertible Bonds or the 2003 Convertible Bonds or upon the exercise by the Directors of the general mandates granted to them to allot and issue Shares, or Shares which may be repurchased by the Company.

COMPARISON OF USE OF PROCEEDS RAISED FROM THE COMPANY'S INITIAL PUBLIC OFFER WITH ACTUAL APPLICATION

The Company raised net proceeds of approximately HK\$60 million from its initial public offer. The following table sets forth the intended use of the net proceeds as stated in the Prospectus and the actual application of such net proceeds up to the Latest Practicable Date:—

	<i>Notes</i>	Amount to be used up to 31 December, 2002 as disclosed in the Prospectus HK\$'million	Actual amount used up to the Latest Practicable Date HK\$'million
For research and development activities including the establishment of a research and development centre in Beijing	<i>1</i>	15.0	6.8
For the establishment of business alliances with pharmaceutical enterprises in the fields of biopharmaceuticals, Chinese medicine and/or natural herbal products	<i>2</i>	20.0	-
For the expansion of the distribution networks of the Group	<i>3</i>	10.0	-
For the establishment of the Group's website and commencement of e-commerce	<i>4</i>	3.0	0.8
General working capital		<u>12.0</u>	<u>12.0</u>
Total		<u><u>60.0</u></u>	<u><u>19.6</u></u>

Notes:—

- Due to the delay in establishing the research and development centre in Beijing, which was established in October 2002, and accordingly, the delay in research and development activities, the actual amount used up to the Latest Practicable Date was only HK\$6.8 million. The Group intends to use the remaining funds for the future development of the research and development centre in Beijing, which is in accordance with the planned use of proceeds.
- The Group has conditionally agreed to acquire an aggregate of 35 per cent. equity interest in Beijing Tide Pharmaceutical Co., Ltd. pursuant to certain agreements made by the Group with other parties on 17 October, 2003, details of which have been set forth in the announcement of the Company dated 17 October, 2003. The Group intends to apply part of the net proceeds from its initial public offer in 2000 and/or the net proceeds from the issue of the 2002 Convertible Bonds and/or the 2003 Convertible Bonds to satisfy the consideration of RMB79,996,700 payable by the Group for such acquisition, which is in accordance with the planned use of proceeds.
- The Company is in the process of negotiating with potential cooperative partners and no binding agreement has been reached.
- As at the Latest Practicable Date, the Group has not yet commenced its e-commerce business as the relevant PRC laws and regulations governing e-commerce business relating to pharmaceuticals in the PRC have not yet been published. Currently, the Company's principal subsidiaries have established their own websites for the purpose of advertising and promoting their pharmaceutical products. The Directors intend to use the remaining funds for the commencement of e-commerce as and when the relevant PRC laws and regulations have developed.

PROPOSED ARTICLES OF ASSOCIATION IN SUBSTITUTION FOR THE EXISTING ARTICLES OF ASSOCIATION

In connection with the Introduction and to remove references to GEM and to make other changes in the Articles of Association, the Directors propose to seek the approval of the Shareholders for the adoption of the Proposed Articles of Association (including the removal of the provisions relating to the retirement of Directors by rotation at the annual general meeting), the provisions of which will comply with the requirements of the Listing Rules. Save as stated above, the provisions of the Proposed Articles of Association are in all material aspect identical to the Articles of Association. The Articles of Association will be substituted by the Proposed Articles of Association when the Proposed Articles of Association shall have been conditionally approved and adopted by the Shareholders at the EGM and such adoption shall have become unconditional.

Conditions of the Proposed Articles of Association

The adoption of the Proposed Articles of Association will be conditional upon:–

- (a) the passing by the Shareholders at the EGM of the special resolution approving the adoption of the Proposed Articles of Association in substitution for the Articles of Association; and
- (b) the listing of the Shares on the Main Board.

PROPOSED SHARE OPTION SCHEME

In connection with the Introduction, the Directors propose to seek the approval of the Shareholders for the adoption of the Proposed Share Option Scheme, the provisions of which will comply with the requirements of the Listing Rules. The terms of the Proposed Share Option Scheme provide that in granting options under the Proposed Share Option Scheme, the Board can determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the Proposed Share Option Scheme can be exercised. The Board will also determine the option price per Share payable on the exercise of an option according to the terms of the Proposed Share Option Scheme. Subject to the Proposed Share Option Scheme becoming effective, the Board intends to exercise its powers under the Proposed Share Option Scheme during the Scheme Period with the objective of serving the purposes of the Proposed Share Option Scheme.

The Board considers that it is not appropriate to state the value of all options that can be granted under the Proposed Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include the exercise price, exercise period, lock up period (if any), performance targets set (if any) and other relevant variables. The Board believes that any calculation of the value of any option which might have been granted on the Latest Practicable Date would be based on a number of speculative assumptions and would therefore not be meaningful but would be misleading to the Shareholders.

The Existing Share Option Scheme will be replaced by the Proposed Share Option Scheme when the Proposed Share Option Scheme shall have been conditionally approved and adopted by the Shareholders and such adoption shall have become unconditional.

As at the date hereof, options to subscribe for an aggregate of 18,000,000 Shares (which include the options granted to Mr. Tse Ping, Mr. Wang Jinyu and Mr. Tao Huiqi) granted pursuant to the Old Share Option Scheme were outstanding. Details are as follows:–

Number of Share options	Number of employees	Subscription price per share HK\$	Option Period
18,000,000	13	0.74	2 January, 2004 to 1 January, 2007

Notwithstanding the proposed termination of the Existing Share Option Scheme, the aforesaid outstanding options previously granted and remain unexercised under the Old Share Option Scheme shall remain valid and exercisable in accordance with the provisions of the Old Share Option Scheme.

Conditions of the Proposed Share Option Scheme

The adoption of the Proposed Share Option Scheme will be conditional upon:–

- (a) the passing by the Shareholders at the EGM of the ordinary resolution approving the adoption of the Proposed Share Option Scheme and the termination of the Existing Share Option Scheme; and
- (b) the granting by the Listing Committee of the Stock Exchange of listing on the Main Board of, and permission to deal on the Main Board in, (i) the Shares in issue; (ii) any Shares which may fall to be issued upon the exercise of any option which have been granted under the Old Share Option Scheme or the Existing Share Option Scheme or any option which may, prior to the termination of the Existing Share Option Scheme, be granted thereunder or under the Proposed Share Option Scheme; and (iii) any Shares which may fall to be issued upon the exercise of the conversion rights under the 2002 Convertible Bonds or the 2003 Convertible Bonds.

EGM

The EGM is convened to be held at 8/F., Crown Room, The Dynasty Club Ltd., South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 24 November, 2003 at 10:00 a.m., or any adjournment thereof, at which ordinary resolutions will be proposed to consider and, if thought fit, approve, among other matters, the following:–

- (a) an ordinary resolution for the Proposed Withdrawal and an ordinary resolution for the reduction of the notice period for the Proposed Withdrawal; and
- (b) an ordinary resolution for the adoption of the Proposed Share Option Scheme and the termination of the Existing Share Option Scheme.

At the EGM, a special resolution will also be proposed to consider and, if thought fit, to approve the adoption of the Proposed Articles of Association in substitution for the Articles of Association.

RECOMMENDATION

The Board considers that the Proposed Withdrawal, the reduction of the notice period for the Proposed Withdrawal, the adoption of the Proposed Share Option Scheme, the termination of the Existing Share Option Scheme and the adoption of the Proposed Articles of Association in substitution for the Articles of Association are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends that the Shareholders vote in favour of each of the resolutions set forth in the notice of the EGM.

Mr. Tse Ping, the Chairman and the controlling shareholder of the Company who as at the Latest Practicable Date held 234,120,000 Shares through Conspicuous Group Limited, Remarkable Industries Limited, Validated Profits Limited and his personal holding, representing approximately 70.52 per cent. of the issued share capital of the Company, has confirmed to the Company that he and his said companies will vote in favour of each of the resolutions to be proposed at the EGM.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:–

“2002 Convertible Bonds”	the one per cent. convertible bonds due 2006 in the aggregate principal amount of US\$6,000,000 constituted by the Convertible Bond Instrument and issued by the Company on 22 October, 2002
“2003 Convertible Bonds”	the one per cent. convertible bonds due 2006 in the aggregate principal amount of US\$4,000,000 constituted by the Convertible Bond Instrument and issued by the Company on 31 March, 2003
“Articles of Association”	the existing articles of association of the Company which were adopted on 19 September, 2000
“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for the business of dealings in securities
“Company”	Sino Biopharmaceutical Limited, a company incorporated in the Cayman Islands on 2 February, 2000 with limited liability, the Shares of which are listed on GEM
“Convertible Bond Instrument”	an instrument dated 22 October, 2002 executed by the Company constituting US\$10 million one per cent. convertible bonds due 2006 of the Company
“Director(s)”	director(s) of the Company
“Effective Date”	on or about Monday, 8 December, 2003, the day on which the Proposed Withdrawal becomes effective

“EGM”	the extraordinary general meeting of the Company to be held at 8/F., Crown Room, The Dynasty Club Ltd., South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 24 November, 2003 at 10:00 a.m.
“Existing Share Option Scheme”	the share option scheme approved and adopted by the Company on 26 April, 2002
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Introduction”	the proposed listing of the Shares on the Main Board by way of introduction pursuant to the Listing Rules
“Latest Practicable Date”	27 October, 2003, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this announcement
“Listing Committee”	the listing sub-committee of the directors of the Stock Exchange responsible for Main Board listing matters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM and which stock market continues to be operated by the Stock Exchange in parallel with GEM
“Old Share Option Scheme”	the share option scheme of the Company adopted on 19 September, 2000 which was terminated on 26 April, 2002
“Proposed Articles of Association”	the proposed articles of association to be adopted by the Company at the EGM
“Proposed Share Option Scheme”	the proposed share option scheme to be adopted by the Company at the EGM
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing of the Shares on GEM
“Prospectus”	the prospectus of the Company dated 22 September, 2000
“Scheme Period”	the period commencing on the adoption date of the scheme and expiring at the close of business on the tenth anniversary thereof

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Sponsor”	DBS Asia Capital Limited, a deemed licensed corporation for types 1, 4, 6, and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the sponsor of the Introduction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States

By order of the Board
Sino Biopharmaceutical Limited
Tse Ping
Chairman

Hong Kong, 30 October, 2003

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the day of this posting.