SINO BIOPHARMACEUTICAL LIMITED

中 國 生 物 製 藥 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

Website: www.sinobiopharm.com

(Stock code: 1177)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER, 2010

FINANCIAL HIGHLIGHTS

For the year ended 31 December, 2010, the Group recorded the following operational results:

– Revenue was approximately HK$4,086.14 million, an increase of approximately 26.3% over the same period last year;

– Profit attributable to the Group was approximately HK$566.90 million, approximately 42.8% higher than the same period last year;

– After the adjustment of the weighted average number of ordinary shares from the top-up placings of shares in January and June 2010, respectively, and from the share repurchases in April 2010, the basic earnings per share were approximately HK11.68 cents, approximately 33.2% higher than the corresponding period last year;

– Sales of new products accounted for approximately 23.3% of the Group's total revenue; and

– Cash and bank balances as at 31 December, 2010 was approximately HK$2,338.50 million.

The Board of Directors (the "Directors") of the Company recommended a final dividend payment of HK2 cents per share for the year ended 31 December, 2010. Together with the quarterly dividends of a total of HK6 cents per share paid in the first three quarters, the total dividend of the year would amount to HK8 cents per share.

CORPORATE PROFILE

Sino Biopharmaceutical Limited (the "Company"), together with its subsidiaries and a jointly-controlled entity (the "Group"), is an integrated pharmaceutical enterprise. Applying advanced modernized Chinese medicinal technology, the Group researches, develops, manufactures and markets a vast array of health enhancing modernized Chinese and chemical medicines. The Group has also, through its wholly-owned subsidiary Chia Tai Refined Chemical Industry Limited, entered into an agreement to establish a joint venture engaging in the refining of coal to olefin products in Yulin City, Shaanxi Province, the People's Republic of China (the "PRC").

The Group's products can be grouped under the two major therapeutic categories of cardio-cerebral diseases and hepatitis. It also actively develops medicines for treating tumors, analgesia, respiratory system diseases, diabetes and digestive system diseases to meet the increasing demands of the market, medical practitioners and patients.

Principal products:

Cardio-cerebral medicines:	Kaishi (Alprostadil) injections, Yilunping (Irbesartan/ Hydrochlorothiazide) tablets, Tianqingning (Hydroxyethylstarch 130) injections, Spring (Purarin) injections
Hepatitis medicines:	Mingzheng (Adefovir Dipivoxil) capsules, Tianqingganmei (Magnesium Isoglycyrrhizinate) injections, Ganlixin (Diammonium Glycyrrhizinate) injections and capsules, Tianqingganping (Diammonium Glycyrrhizinate) enteric capsules, Tianqingfuxin (Marine) injections and capsules
Oncology medicines:	Tianqingyitai (Zolebronate Acid) injections
Analgesic medicines:	Kaifen (Flurbiprofen Axetil) injections

Products with great potential:

Cardio-cerebral medicines:	Tianqingganan (Glycerin and Fructose) injections
Hepatitis medicines:	Runzhong (Entecavir) dispersible tablets
Oncology medicines:	Renyi (Pamidronate Disodium) injections, Zhiruo (Palonosetron Hydrochloride) injections
Diabetic medicines:	Taibai (Metformin Hydrochloride) sustained release tablets
Respiratory system medicines:	Tianqingsule (Tiotropium Bromide) Inhalation powder
Parenteral nutritious medicines:	Xinhaineng (Carbohydrate and Electrolyte) injections
Anorectal medicines:	Getai (Diosmin) tablets
Anti-infectious medicines:	Tiance (Biapenem) injections

The medicines which have received Good Manufacturing Practice ("GMP") certifications issued by the State Food and Drug Administration of the PRC are in the following dosage forms: large volume injections, small volume injections, PVC-free soft bags for intravenous injections, capsules, tablets, powdered medicines and granulated medicines. The Group also received the GMP Certification for Health Food in capsules from the Department of Health of Jiangsu Province.

The Group's jointly-controlled entity, Beijing Tide Pharmaceutical Co. Ltd. ("Beijing Tide") has received the GMP certification for foreign pharmaceutical company from the Public Welfare and Health Ministry of Japan in February 2008. Thus, the Japanese pharmaceutical enterprises can assign the manufacturing of aseptic pharmaceutical products (products that are under research and products already launched to the domestic market within Japan) to Beijing Tide for export to Japan.

The Group's several principal subsidiaries: Jiangsu Chia Tai – Tianqing Pharmaceutical Co. Ltd. ("JCTT"), Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. ("NJCTT"), Beijing Chia Tai Green Continent Pharmaceutical Co. Ltd., Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd. ("Jiangsu Fenghai"), Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd. and Qingdao Chia Tai Haier Pharmaceutical Co., Ltd. ("Qingdao Haier") and jointly-controlled entity, Beijing Tide have been designated "High and New Technology Enterprises". Beijing Tide also received the "Key New and High Technology Enterprise" certificate from the High–tech Industry Development Center of the Ministry of Science and Technology of the PRC in June 2006. In addition, JCTT was designated "2010 Best Research and Development of Product Line of Top Ten Industrial Enterprises in the PRC" from PRC Pharmaceutical Industrial Information Centre. NJCTT was awarded "2009 Advanced Technology Enterprise" from Nanjing Economic and Technological Development Zone in 2010.

Named by the Ministry of Personnel of the PRC as a "Postdoctoral Research and Development Institute", the research center of JCTT is also the only "New Hepatitis Medicine Research Center" in the country.

The Company has been selected as a constituent of Hang Seng Composite Industry Index – Consumer Goods and Hang Seng Composite SmallCap Index with effect from 8 March, 2010.

The Group's website: http://www.sinobiopharm.com

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

During the year under review, with the support of the PRC Government through the implementation of a progressive fiscal policy, the PRC economy has continued its relatively rapid growth. The improving economy, coupled with the rising disposable income of its population and the strong financial support from the PRC Government in enhancing the medical and health system reforms have driven the development of the pharmaceutical manufacturing industry. These favourable conditions have helped the enterprises to maintain steady increases in sales and profits. In the past year, the implementation of public hospital reform, a new edition of the Pharmacopoeia, a safety assessment of Chinese medicine injection products and centralised procurement of pharmaceutical products in the PRC have not only enhanced the quality standards and standardisation management of the PRC pharmaceutical industry, but also facilitated a healthy growth of the industry. In the "Plan for Strategic Emerging Industries" launched in October 2010, the Government has added bio-industry to the list of pillar industries, demonstrating its high emphasis on this industry. The upgrade of biopharmaceutical and pharmaceutical industries were also selected as focused industries for development in the next five years. At the same time, pharmaceutical business is facing a challenging environment, for examples, strategic price cutting, continuous high Consumer Price Index ("CPI") and enormous industrial competition etc.

Business Review

To enhance the competitiveness of its brand, during the year under review, the Group has continued to focus on new product development while strengthening quality control procedures to ensure that its products are safe and reliable and to enhance brand competitiveness. The Group has faced a number of challenges including the mandated adjustment in the price of pharmaceutical products by the PRC Government, implementation of centralised bidding and procurement of pharmaceutical products in each of the provinces and persistently high CPI indices. To address the situation, the Group has launched a series of measures to ensure stable growth of its business performance and to maintain the leadership of its main products in specific therapeutic pharmaceutical areas. Moreover, during the year under review, the Group has successfully increased its equity interests in Jiangsu Fenghai and Yancheng Suhai Pharmaceutical Co., Ltd., which are engaged in the manufacture and sales of pharmaceutical products for the treatment of bacterial, inflammatory and cardio-cerebral medicines, and acquired the equity interests in Shanghai Tongyung Pharmaceutical Company Limited ("Shanghai Tongyung"), which is primarily engaged in the manufacture of dermatology and hormonal pharmaceutical products. These acquisitions will enable the Group to enter into new business segments and bring new income contribution to the Group.

The Group recorded turnover of approximately HK$4,086.14 million during the year under review, an increase of approximately 26.3% against the same period last year. Profit attributable to the Group was approximately HK$566.90 million, approximately 42.8% higher than in the same period last year. After the adjustment of the weighted average number of ordinary shares from the top-up placings of shares in January and June 2010, respectively, and from the share repurchases in April 2010, the basic earnings per share were approximately HK11.68 cents, approximately 33.2% higher than the corresponding period last year. Cash and bank balances totaled approximately HK$2,338.50 million.

The Group continued to focus on developing specialized medicines where its strengths lie so as to build up its brand as a specialty medicine enterprise. Leveraging on its existing medicine series for treating hepatitis and cardio-cerebral diseases, the Group also actively developed oncology medicines, analgesic medicines, diabetic medicines, respiratory system medicines and digestive system medicines, etc.

The Group's principal profit contributors are JCTT, Beijing Tide, NJCTT and Chia Tai Qingchunbao Pharmaceutical Co., Ltd..

Cardio-cerebral medicines

Cardio-cerebral medicines are manufactured mainly by Beijing Tide and NJCTT and accounted for approximately 20.6% of the Group's turnover. The segment's major product Kaishi injections produced by Beijing Tide works on the Drug Delivery System (DDS) theory to improve cardio-cerebral micro-circulation blockage. It is the first micro-sphere target sustained release medicine in the PRC. The proprietary pharmaceutical technology used by the Group enhances the product to have more apparent effect than similar products in the market, which allows it to enjoy majority market share. Beijing

Tide was awarded GMP medicine certification by the Public Welfare and Health Ministry of Japan in February 2008. For the year ended 31 December, 2010, sales of Kaishi injections amounted to approximately HK$1,094.46 million, an increase of approximately 44.4% as compared with the same period last year.

The Spring PVC-free soft bags for intravenous injections and the Spring injections manufactured by NJCTT are known for their stable quality since launched. NJCTT was named "Model Enterprise for Establishment of Quality and Trustful Medicines" by the PRC Pharmaceutical Quality Control Association in 2007. For the year ended 31 December, 2010, sales of the two products amounted to approximately HK$55.72 million, a slight increase of approximately 2.2% when compared with the same period last year.

The sales of Tianqingganan injections manufactured and sold by NJCTT have had satisfactory growth since launched in 2004. For the year ended 31 December, 2010, the product recorded sales of approximately HK$51.21 million, a slight increase of approximately 3.4% when compared with the same period last year.

NJCTT's Tianqingning injections, which was launched in 2006, is a plasma-volume expander for patients with blood volume deficiencies. As this product can be used as plasma for all blood types, it has huge market potential. For the year ended 31 December, 2010, the product recorded sales of approximately HK$155.01 million, a large increase of approximately 50.2% when compared with the same period last year. Sales of another pharmaceutical product, Yilunping tablets, amounted to approximately HK$146.92 million for the year ended 31 December, 2010, a remarkable increase of approximately 55.5% when compared with the same period last year.

Hepatitis medicines

Hepatitis medicines is one of JCTT's main product series which recorded sales of approximately HK$1,805.76 million for the year ended 31 December, 2010 and accounted for approximately 44.2% of the Group's turnover.

JCTT mainly produces two categories of hepatitis medicines that can protect the liver while lowering enzyme levels and combating hepatitis virus. Ganlixin injections and capsules made with ingredients extracted from Licorice are the number 1 hepatitis medicine brand in the PRC. For the year ended 31 December, 2010, its sales amounted to approximately HK$209.18 million, an approximately 12.7% decrease when compared with the same period last year. After the protection period of the product expired, many replicas have emerged into the market, resulting in intensified competition. The Group thus developed Tianqingganping enteric capsules with better therapeutic effect than Ganlixin capsules and its intellectual property right being protected. Sales of the medicine continued to increase to approximately HK$202.64 million in the reviewing year, representing a growth of approximately 10.3% when compared with the same period last year. In 2005, JCTT launched the patented medicine Tianqingganmei injections, which was made with Isoglycyrrhizinate separated from Licorice. During the year under review, the product has bright prospects and recorded the sales of approximately HK$454.34 million, an increase of approximately 36.1% against the same period last year. The Group believes that medicine series made with ingredients extracted from Licorice will help to maintain JCTT's leadership in the market for medicines protecting the liver and lowering enzyme levels.

The Group launched a patented hepatitis medicine called Mingzheng capsules in 2006. As a first-tier synthetic drug for combating hepatitis virus in the international market, the product has been well received by the market since launched with sales increasing rapidly. Mingzheng capsules have become another blockbuster product for combating hepatitis virus. For the year ended 31 December, 2010, its sales amounted to approximately HK$647.91 million, a slight increase of approximately 2.2% when compared with the same period last year.

Tianqingfuxin injections and capsules are the modernized Chinese medicines for fighting hepatitis virus. For the year ended 31 December, 2010, sales amounted to approximately HK$89.37 million, a decrease of approximately 19.4% when compared with the same period last year.

JCTT's self-developed new medicine for hepatitis B, Runzhong (Entecavir) dispersible tablet, has obtained the new product approval and production approval in February 2010, making JCTT the first pharmaceutical manufacturer to gain the approval for this product in the PRC. The product was launched to the market since March 2010. For the year ended 31 December, 2010, the sales amounted to approximately HK$144.80 million. Runzhong dispersible tablet is the latest generation of guanine nucleoside analogue oral medicine. The medicine is used for the treatment of hepatitis B. It inhibits viral replication and has lower risk of triggering the emergence of medicine-resistant virus. After Entecavir was launched in the United States in 2005, the medicine recorded strong sales growth around the world as one of the most efficacious hepatitis B medicines.

Oncology medicines

Tianqingyitai injections, Tianqingrian injections, Zhiruo injections and Renyi injections are mainly developed and manufactured by JCTT and NJCTT. For the year ended 31 December, 2010, sales of oncology medicines amounted to approximately HK$283.19 million, an increase of approximately 48.5% as compared with the same period last year.

Analgesic medicines

Launched in 2005, the analgesic medicine Kaifen injections is developed and manufactured by Beijing Tide. It is a Flurbiprofen Axetil microsphere target sustained release analgesic injection produced based on the DDS theory and enabled by advanced target technology. The product is famous for strong pain relieving effect with minimal side effects and has been well received by medical practitioners and patients since launched. Sales of the product for the year ended 31 December, 2010 amounted to approximately HK$288.16 million, approximately 50.7% significantly higher than that as compared with the same period last year.

Diabetic medicines

The main diabetic medicine of the Group, Taibai sustained release tablets, which is used for lowering blood sugar level, was developed and manufactured by JCTT. There are more than 30 million diabetics in the PRC and Metformin Hydrochloride has been identified as a first-tier medicine for lowering blood sugar level. As Taibai sustained release tablets has sustained release capability, it can stabilise a patient's blood sugar level. For the year ended 31 December, 2010, the sales of the product have amounted to approximately HK$36.80 million, an increase by approximately 11.7% as compared with the same period last year.

RESEARCH AND DEVELOPMENT

The Group continued to focus research and development ("R&D") efforts on new cardio-cerebral, hepatitis, oncology, analgesia and respiratory system medicines. During the year under review, it received 15 new product and production approvals. Also, a total of 48 cases had completed clinical research, or were under clinical trial or applying for production approval, out of which, 10 cardio-cerebral medicines, 10 hepatitis medicines, 9 oncology medicines, 4 respiratory system medicines, 1 diabetic medicine and 14 other medicines are being developed.

The Group emphasizes on "development of proprietary innovative medicines and generic drugs by itself as well as through coordination with other domestic and foreign parties" in order to improve the R&D standard and progress. In light of the fact that R&D continues to be the foundation of the development of the enterprises and that the government encourages the direction of innovative development, the Group continues to focus on the injection of resources towards R&D. For the year ended 31 December, 2010, it invested approximately HK$229.72 million in R&D, which accounted for approximately 5.6% of revenue.

The Group also emphasizes on the protection of intellectual property rights. It encourages the active initiation of patent application in order to enhance the Group's core competitiveness. During the year under review, the Group has filed 42 invention patents and 1 apparel design patent. It also obtained 18 invention patent rights, 4 apparel design patents and 3 transfer invention patents. Together, the Group has obtained 224 invention patent rights, 3 utility model patent rights and 24 apparel design patent rights.

APPLICATION FOR LISTING BY BEIJING TIDE

On 27 December, 2010, Beijing Tide has made a formal application to the China Securities Regulatory Commission (the "CSRC") in respect of the proposed listing of its shares on the ChiNext of the Shenzhen Stock Exchange. The CSRC has issued to Beijing Tide a Notice of CSRC Administrative Permit of Acceptance of Handling on 4 January, 2011.

INVESTOR RELATIONS

The Group is dedicated to maintaining a high level of corporate governance. It has strived to keep close contact and maintain good communication with investors via a variety of communication channels. To further enhance corporate governance, efforts have also been made to collect more pertinent information and opinions.

During the year under review, the Group proactively undertook initiatives to communicate the latest information about the business to investors. It has also participated in 21 large investor conferences and roadshows across Europe, the US and Asia. These events include Morgan Stanley Global Healthcare Conference, Bank of America Merrill Lynch Global Healthcare Conference, Bank of America Merrill Lynch China Investment Summit, Goldman Sachs & Gao Hua China Investment Frontier Conference, UBS Global Life Sciences Conference and Citi Greater China Investor Conference. Besides, the Group has arranged for more than 20 factory site visits and 37 teleconferences and one-to-one meetings with more than 32 foreign and domestic institutional investors. These investors include Morgan Stanley Asia Limited, Goldman Sachs Gao Hua Securities Company Limited, Bank of America Merrill Lynch, Citi Investment Research, J.P. Morgan Securities (Asia Pacific) Limited, UBS Investment Bank, BNP Paribas Investment Partners Asia Limited, Value Partners Limited, Société Générale Asset Management, Bank Of China International Research Limited, CCB International Asset Management Limited and ICBC (Asia) Investment Management Company Limited. These meetings served to increase the knowledge of these potential investors about the Group's operations and its latest developments, and thus solidify the confidence of shareholders, investors and customers.

In addition, the Group also posts its annual and interim reports, and issues quarterly, interim and annual results announcements, disclosures and circulars on its corporate website as well as on the website of Hong Kong Exchanges and Clearing Limited. The Group also issues news releases and organises media briefings to inform shareholders and investors about its latest developments, further facilitating a high degree of transparency.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company had complied with all the Code Provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31 December, 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, it was confirmed that all Directors have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity remains strong. During the year under review, the Group's primary source of funds was cash derived from operating activities, disposal of Sino Concept Technology Limited in 2005 and top-up placings of existing shares in January and June 2010, respectively. As at 31 December, 2010, the Group's bank balance and cash in hand was approximately HK$2,338.50 million (31 December, 2009: approximately HK$1,827.31 million).

CAPITAL STRUCTURE

As at 31 December, 2010, the Group had short term loans of approximately HK$28.24 million (31 December, 2009: approximately HK$1.14 million) and long term loans of approximately HK$127.06 million (31 December, 2009: Nil).

CHARGE ON ASSETS

As at 31 December, 2010, the Group had no charge on assets (31 December, 2009: Nil).

CONTINGENT LIABILITIES

As at 31 December, 2010, the Group and the Company had no material contingent liabilities (31 December, 2009: Nil).

ASSETS AND GEARING RATIO

As at 31 December, 2010, the total assets of the Group amounted to approximately HK$5,620.84 million (31 December, 2009: approximately HK$3,766.32 million) whereas the total liabilities amounted to approximately HK$1,319.29 million (31 December, 2009: approximately HK$738.38 million). The gearing ratio (total liabilities over total assets) was approximately 23.5% (31 December, 2009: approximately 19.6%).

EMPLOYEE AND REMUNERATION POLICIES

The Group remunerates its employees based on their performance, experience and the prevailing market rates. Other employee benefits include mandatory provident fund, insurance and medical coverage, subsidized training programmes as well as a share option scheme. Total staff costs (including Directors' remuneration) for the year were approximately HK$398,552,000 (2009: approximately HK$249,937,000).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Most of the assets and liabilities of the Group were denominated in Renminbi, US dollars and HK dollars. In the PRC, foreign investment enterprises are authorized to convert Renminbi to foreign currency in respect of current account items (including payment of dividend and profit to the foreign joint venture partner). The exchange rate of HK dollars and US dollars is pegged under the fixed linked system over a long period of time. The Directors consider that the Group is not significantly exposed to foreign currency risk and no hedging or other alternatives have been implemented.

OUTLOOK AND PROSPECT

Looking ahead, the Group believes that the PRC Government will implement progressive fiscal policy and stable monetary policy from 2011 onwards and speed up the development of a new socialist countryside and drive rural and urban development. The Government will also strive to establish a fair education system, fair adjustments for income allocation, undertake effort to establish a social welfare system covering cities and rural areas and support the reform and development of medical and healthcare businesses. These moves will help to enhance the social welfare security system and improve the wellbeing of citizens as well as create long term and favorable conditions for the pharmaceutical industry. The Group expects the rapidly aging population to become an important demand driver for medicines to treat chronic diseases. The underlying steady growth of the economy will also facilitate the continuous steady development of the pharmaceutical industry in the PRC.

The year 2011 also marks the beginning of the “Twelfth-Five Year Plan”. Major concerns of the new plan are to adjust the economic structure and suppress inflation pressure. The price adjustment of pharmaceutical products and the “New GMP” implemented in March will likely to further reduce the earnings of the pharmaceutical product manufacturers. This in turn will facilitate the consolidation of the industry through mergers and acquisitions as well as restructuring to ensure the continuous healthy development of PRC’s pharmaceutical industry in future.

In 2011, a priority for the Group will be to continue strengthening quality control in production to ensure product safety. It will take measures to enhance management all-round to maintain product profitability and leadership in selected therapeutic pharmaceutical areas. The Group will also continue to invest in R&D in new products and new technologies to strengthen its capability in developing proprietary innovative medicines. At the same time, the Group will evaluate mergers and acquisitions and restructuring opportunities to drive business growth and expand its business under industry consolidation.

In the coal-olefin segment, as the effects of the global financial crisis still linger, the Group expects to continue seeking a more cost effective source of material for producing olefin. This business is expected to bring stable, promising revenue and provide a new profit growth driver of the Group in the long run. Since it takes necessary longer time to assess the impact of industrial production on the environment and water resources etc, the project is still at an early stage of preparation.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our shareholders for their trust, support and understanding, as well as to all staff for their dedication and diligence.

RESULTS

The Board announces the condensed consolidated results of the Group for the year ended 31 December, 2010 together with the comparative condensed consolidated results for 2009 as follows:

Condensed Consolidated Income Statement

	Notes	For the year ended 31 December, 2010 HK$'000	2009 HK$'000 (Restated)
REVENUE	4	**4,086,144**	3,234,975
Cost of sales		**(784,858)**	(639,636)
Gross profit		**3,301,286**	2,595,339
Other income and gains	4	**243,391**	61,899
Selling and distribution costs		**(1,677,386)**	(1,287,499)
Administrative expenses		**(539,866)**	(416,852)
Other expenses		**(232,680)**	(151,568)
Finance costs	5	**(5,804)**	(2,773)
Share of (loss)/profit of an associate		**(1,426)**	929
PROFIT BEFORE TAX	6	**1,087,515**	799,475
Income tax expenses	7	**(228,146)**	(135,028)
PROFIT FOR THE YEAR		**859,369**	664,447
Profit attributable to:			
Owners of the parent		**566,897**	396,962
Non-controlling interests		**292,472**	267,485
		859,369	664,447
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
– Basic		**HK11.68 cents**	HK8.77 cents
– Diluted		**N/A**	N/A

Details of the dividends payable and declared for the year are disclosed in note 8.

Condensed Consolidated Statement of Comprehensive Income

	For the year ended 31 December,	
	2010	2009
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**859,369**	664,447
OTHER COMPREHENSIVE INCOME		
Gains on property revaluation	**41,080**	38,081
Income tax effect	**(7,160)**	(8,502)
	33,920	29,579
Exchange differences on translation of foreign operations	**94,252**	(9,426)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**128,172**	20,153
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**987,541**	684,600
Total comprehensive income attributable to:		
Owners of the parent	**662,847**	415,218
Non-controlling interests	**324,694**	269,382
	987,541	684,600

Condensed Consolidated Statement of Financial Position

	Notes	**31 December, 2010 *HK$'000***	31 December, 2009 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,242,999**	895,289
Prepaid land lease payments		**140,907**	77,675
Goodwill		**67,308**	47,684
Other intangible assets		**65,156**	55,034
Investment in an associate		**29,338**	6,918
Available-for-sale investments		**29,820**	29,820
Deferred tax assets		**15,589**	14,072
TOTAL NON-CURRENT ASSETS		**1,591,117**	1,126,492
CURRENT ASSETS			
Inventories		**369,158**	211,368
Trade receivables	*10*	**625,908**	479,034
Prepayments, deposits and other receivables		**97,693**	64,916
Equity investments at fair value through profit or loss		**491,223**	53,898
Due from related companies		**107,242**	3,300
Cash and bank balances	*11*	**2,338,495**	1,827,313
TOTAL CURRENT ASSETS		**4,029,719**	2,639,829
CURRENT LIABILITIES			
Trade payables	*12*	**159,515**	123,092
Other payables and accruals		**851,492**	526,793
Interest-bearing bank borrowings		**28,236**	1,136
Tax payable		**53,472**	33,236
Due to related companies		**2,845**	2,747
TOTAL CURRENT LIABILITIES		**1,095,560**	687,004
NET CURRENT ASSETS		**2,934,159**	1,952,825
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,525,276**	3,079,317
NON-CURRENT LIABILITIES			
Deferred government grants		**25,747**	10,581
Interest-bearing bank borrowings		**127,062**	—
Deferred tax liabilities		**70,919**	40,792
TOTAL NON-CURRENT LIABILITIES		**223,728**	51,373
NET ASSETS		**4,301,548**	3,027,944
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued capital	*13*	**123,916**	113,198
Reserves		**3,424,636**	2,265,491
Proposed final dividend		**99,133**	95,659
		3,647,685	2,474,348
NON-CONTROLLING INTERESTS		**653,863**	553,596
TOTAL EQUITY		**4,301,548**	3,027,944

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain buildings and equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

Basis of consolidation from 1 January, 2010

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained; and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 January, 2010

Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 included in *Improvements to HKFRSs* 2009 and HK Interpretation 4 (Revised in December 2009), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January, 2010.

(b) *Improvements to HKFRSs* 2009 issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [2]
HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [4]
HKFRS 9	*Financial Instruments* [6]
HKAS 12 Amendment	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [5]
HKAS 24 (Revised)	*Related Party Disclosures* [3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [2]

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January, 2011 although there are separate transitional provisions for each standard.

[1] Effective for annual periods beginning on or after 1 February, 2010
[2] Effective for annual periods beginning on or after 1 July, 2010
[3] Effective for annual periods beginning on or after 1 January, 2011
[4] Effective for annual periods beginning on or after 1 July, 2011
[5] Effective for annual periods beginning on or after 1 January, 2012
[6] Effective for annual periods beginning on or after 1 January, 2013

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January, 2013.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government. The Group expects to adopt HKAS 24 (Revised) from 1 January, 2011 and the comparative related party disclosures will be amended accordingly.

While the adoption of the revised standard will result in changes in the accounting policy, the revised standard is unlikely to have any impact on the related party disclosures as the Group currently does not have any significant transactions with government-related entities.

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 January, 2011. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

(a) HKFRS 3 *Business Combinations*: Clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

    In addition, the amendments limit the measurement choice of non-controlling interests at fair value or at the proportionate share of the acquiree's identifiable net assets to components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

    The amendments also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

(b) HKAS 1 *Presentation of Financial Statements*: Clarifies that an analysis of other comprehensive income for each component of equity can be presented either in the statement of changes in equity or in the notes to the financial statements.

(c) HKAS 27 *Consolidated and Separate Financial Statements*: Clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has three reportable segments as follows:

(a) the modernized Chinese medicines and chemical medicines segment comprises the manufacture, sale and distribution of the modernized Chinese medicine products and chemical medicine products;

(b) the investment segment is engaged in long term investment; and

(c) the other segment comprises, principally, the Group's R&D sector which provides services to third-parties.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax from continuing operations.

Segment assets exclude deferred tax assets and interest in an associate as these assets are managed on a group basis.

Segment liabilities exclude tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

The segment results for the year ended 31 December, 2010

	Modernized Chinese and chemical medicines *HK$'000*	Investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	4,085,215	—	929	4,086,144
Total	4,085,215	—	929	4,086,144
Segment results	1,105,474	155,204	(5,709)	1,254,969
Reconciliation:				
Interest income and unallocated gains				21,669
Unallocated expenses				(187,697)
Share of loss of an associate				(1,426)
Profit before tax				1,087,515
Income tax expenses				(228,146)
Profit for the year				859,369
Assets and liabilities				
Segment assets	4,719,189	825,100	31,620	5,575,909
Reconciliation:				
Investment in an associate				29,338
Other unallocated assets				15,589
Total assets				5,620,836
Segment liabilities	1,092,372	98,522	4,003	1,194,897
Reconciliation:				
Other unallocated liabilities				124,391
Total liabilities				1,319,288
Other segment information:				
Depreciation and amortisation	85,524	23	2,584	88,131
Capital expenditure	438,622	322	30	438,974
Other non-cash expenses	5,730	—	—	5,730

The segment results for the year ended 31 December, 2009 *(Restated)*

	Modernized Chinese and chemical medicines *HK$'000*	Investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	3,231,327	—	3,648	3,234,975
Total	3,231,327	—	3,648	3,234,975
Segment results	853,535	14,353	(14,920)	852,968
Reconciliation:				
Interest income and unallocated gains				21,436
Unallocated expenses				(75,858)
Share of profit of an associate				929
Profit before tax				799,475
Income tax expenses				(135,028)
Profit for the year				664,447
Assets and liabilities				
Segment assets	3,664,865	38,717	41,749	3,745,331
Reconciliation:				
Investment in an associate				6,918
Other unallocated assets				14,072
Total assets				3,766,321
Segment liabilities	663,296	—	1,053	664,349
Reconciliation:				
Other unallocated liabilities				74,028
Total liabilities				738,377
Other segment information:				
Depreciation and amortisation	59,822	—	2,273	62,095
Capital expenditure	352,096	—	1,997	354,093
Other non-cash expenses	7,537	—	—	7,537

No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

No information about a major customer is presented as no single customer contributes to over 10% of the Group's revenue for the years ended 31 December, 2009 and 2010.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	For the year ended 31 December,	
	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Sale of goods	**4,086,144**	3,234,975
Other income		
Dividend income	**11,182**	8,674
Bank interest income	**18,597**	15,460
Government grants	**17,483**	12,130
Sale of scrap materials	**10,658**	12,996
Revaluation surplus of property, plant and equipment	**—**	1,008
Others	**3,072**	5,976
	60,992	56,244
Gains		
Gain on disposal of items of property, plant and equipment	**563**	—
Fair value gains, net		
Equity investments at fair value through profit or loss		
– held for trading	**181,836**	4,862
Gain on disposal of available-for-sale investments	**—**	793
	182,399	5,655
Total other income and gains	**243,391**	61,899

5. FINANCE COSTS

	For the year ended 31 December,	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**5,804**	2,773

6. PROFIT BEFORE TAX

Profit before tax was determined after charging the following:

	For the year ended 31 December,	
	2010	2009
	HK$'000	*HK$'000*
Cost of inventories sold	**784,858**	639,636
Depreciation	**82,244**	58,377
Recognition of prepaid land lease payments	**2,465**	1,834
Amortization of other intangible assets	**3,422**	1,884
Write-off of other intangible assets	**278**	598
Research and development costs	**229,720**	144,684
Revaluation deficit/(surplus) of property, plant and equipment	**559**	(1,008)
Gain on disposal of property, plant and equipment	**(563)**	—
Loss on disposal of property, plant and equipment	**6,293**	7,537
Bank interest income	**(18,597)**	(15,460)
Dividend income	**(11,182)**	(8,674)
Loss on disposal of equity interest in a jointly-controlled entity	**1,084**	—
Fair value gains, net:		
Equity investments at fair value through profit or loss		
– held for trading	**(181,836)**	(4,862)
Minimum lease payments under operating leases:		
Land and buildings	**10,110**	8,601
Auditors' remuneration	**2,737**	2,316
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	**361,536**	240,782
– Pension contributions	**37,016**	9,155
	398,552	249,937
Impairment loss of trade receivables recognised	**7,353**	372
Foreign exchange differences, net	**616**	1,045

7. INCOME TAX EXPENSES

	For the year ended 31 December,	
	2010	2009
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**(362)**	518
Current – Mainland China income tax	**175,660**	135,628
Deferred tax	**52,848**	(1,118)
Total tax charge for the year	**228,146**	135,028

Hong Kong profits tax has been provided at a rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretations and practices in respect thereof.

JCTT, Beijing Tide, Jiangsu Fenghai, Qingdao Haier and Shanghai Tongyung were subject to a corporate income tax rate of 15% for three years successively from 2008 because they qualified as a "High and New Technology Enterprise".

NJCTT was subject to a preferential income tax rate of 15% for three years from 2009 onwards because it was qualified as a "High and New Technology Enterprise". In addition, pursuant to the transition provisions of the New CIT tax law, NJCTT is entitled to a tax concession period between 2006 and 2010, whereby NJCTT is entitled to a 50% tax exemption on corporate income tax rate in 2010. Hence, NJCTT is subject to a corporate income tax rate of 11% in 2010 (being the lower of 11% (due to a 50% tax exemption) and the preferential tax rate of 15%).

Other than the above mentioned entities, the other entities located in the Mainland China are subject to a corporate income tax rate of 25% in 2010.

8. DIVIDEND

The Board has recommended a final dividend of HK2 cents per ordinary share for the year ended 31 December, 2010 (2009: HK2 cents). Subject to approval by the shareholders of the Company, the dividend will be paid to shareholders on Friday, 10 June, 2011 whose names appear on the Register of Members of the Company on Tuesday, 31 May, 2011.

The Register of Members of the Company will be closed from Monday, 30 May, 2011 to Tuesday, 31 May, 2011, both days inclusive, during which period no transfer of share of the Company will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. on Friday, 27 May, 2011.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent for the year of approximately HK$566,897,000 (2009: approximately HK$396,962,000), and the weighted average number of ordinary shares of 4,854,152,092 (2009: 4,527,937,473)(as adjusted to reflect the top-up placings and share repurchases in 2010) in issue during the year.

Diluted earnings per share amounts for the year ended 31 December, 2010 and 2009 have not been disclosed as there were no diluting events during these years.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period ranges from 60 days to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

An aged analysis of the Group's trade receivables as at the end of reporting period, based on invoice date and net of provisions, is as follows:

	31 December, 2010	31 December, 2009
	HK$'000	*HK$'000*
Current to 90 days	**558,643**	458,955
91 days to 180 days	**60,329**	19,397
Over 180 days	**6,936**	682
	625,908	479,034

11. CASH AND BANK BALANCES

	31 December, 2010	31 December, 2009
	HK$'000	*HK$'000*
Cash and bank balances, unrestricted	**920,947**	408,542
Time deposits with original maturity of less than three months	**698,175**	1,330,438
Time deposits with original maturity of more than three months	**719,373**	88,333
	2,338,495	1,827,313

12. TRADE PAYABLES

An aged analysis of the Group's trade payables as at the end of reporting period, based on invoice date, is as follows:

	31 December, 2010	31 December, 2009
	HK$'000	*HK$'000*
Current to 90 days	**138,569**	102,868
91 days to 180 days	**14,530**	11,338
Over 180 days	**6,416**	8,886
	159,515	123,092

13. SHARE CAPITAL

	31 December, 2010 *HK$'000*	31 December, 2009 *HK$'000*
Authorised:		
8,000,000,000 ordinary shares of HK$0.025 each (2009: 6,000,000,000 ordinary shares of HK$0.025 each)	**200,000**	150,000
Issued and fully paid:		
4,956,645,473 ordinary shares of HK$0.025 each (2009: 4,527,937,473 ordinary shares of HK$0.025 each)	**123,916**	113,198

INDEPENDENT NON-EXECUTIVE DIRECTORS, AUDIT COMMITTEE AND REVIEW OF RESULTS

The Group has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules relating to appointment of a sufficient number of the independent non-executive directors ("INEDs") and at least an INED with appropriate professional qualifications, or accounting or related financial management expertise. The Company has appointed three INEDs including one with financial management expertise, details of their biographies will be set out in the 2010 Annual Report of the Company.

The Audit Committee is comprised of three INEDs. It has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the condensed consolidated financial statements of the Company for the year ended 31 December, 2010.

TOP-UP PLACINGS

On 26 January, 2010, the Company has announced a top-up placing of existing shares and subscription of new shares under general mandate whereby China Life Insurance (Overseas) Company, Limited, CITIC Securities International Investment Management (HK) Limited, for China Alpha II Fund and CITIC Securities International Investment Management (HK) Limited, for CITIC Securities Alpha Leaders Fund have purchased 200,000,000, 27,500,000 and 27,500,000 shares of the Company, respectively, at HK$2.1 per share.

On 17 June, 2010, the Company has announced another top-up placing of existing shares and subscription of new shares under general mandate to various placees for 185,000,000 shares of the Company at HK$3.35 per share.

The total net proceeds raised in respective of the aforesaid top-up placings aggregated to approximately HK$1,137.77 million.

With the introduction of the strategic shareholders, it further enlarges the capital base of the Company, enabling it to more actively pursue future development opportunities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year from 1 January, 2010 to 31 December, 2010, the Company repurchased a total of 11,292,000 ordinary shares of HK$0.025 each on the Stock Exchange at an aggregate consideration of HK$34,087,336 (excluding the trading expenses of HK$122,051). All of the purchased shares were cancelled. Details of which are stated as follows:-

Date of the repurchase	**Total number of ordinary shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate consideration**
		HK$	*HK$*	*HK$*
1 April, 2010	6,820,000	3.10	2.95	20,620,840
9 April, 2010	1,852,000	3.05	3.00	5,606,496
12 April, 2010	2,620,000	3.00	3.00	7,860,000
	11,292,000			34,087,336

Save as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year from 1 January, 2010 to 31 December, 2010.

By Order of the Board
Sino Biopharmaceutical Limited
Tse Ping
Chairman

PRC, 28 March, 2011

As at the date of this announcement, the Board of the Company comprises seven Executive Directors, namely Mr. Tse Ping, Mr. Zhang Baowen, Mr. Xu Xiaoyang, Mr. Tse Hsin, Ms. Cheng Cheung Ling, Mr. Tao Huiqi and Mr. He Huiyu and three Independent Non-Executive Directors, namely Mr. Lu Zhengfei, Mr. Li Dakui and Ms. Li Jun.