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, 2013 AND CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

FINANCIAL HIGHLIGHTS

For the year ended 31 December, 2013, the Group recorded the following operational results:

– Turnover was approximately HK$9,901.20 million, an increase of approximately 32.1% over the same period last year;

– Before and after accounted for unrealized fair value losses/(gains) of equity investments at fair value through profit or loss, profit attributable to the Group was approximately HK$1,065.30 million and approximately HK$1,036.76 million, respectively, approximately 24.1% and approximately 16.4% higher than the same period last year, respectively;

– Based on the profit attributable to the Group before and after accounted for unrealized fair value losses/(gains) of equity investments at fair value through profit or loss, the basic earnings per share were approximately HK21.56 cents and approximately HK20.98 cents, respectively, approximately 24.1% and approximately 16.4% higher than the same period last year, respectively;

– Sales of new products accounted for approximately 23.5% of the Group's total revenue; and

– Cash and bank balances as at 31 December, 2013 was approximately HK$2,981.34 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, 2013. Together with the quarterly dividend of HK3 cents per share paid for the first three quarters, the total dividend of the whole year amounted to HK5 cents per share.

CORPORATE PROFILE

Sino Biopharmaceutical Limited (the "Company"), together with its subsidiaries (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 medicines and chemical medicines. The Group has also strategically entered into the related healthcare and hospital business through the acquisition of Chia Tai Shaoyang Orthopedic Hospital located in Hunan Province of 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, diabetes, respiratory system diseases and other diseases to meet the increasing demands of the market, medical practitioners and patients.

Principal products:

Hepatitis medicines:	Tianqingganmei (Magnesium Isoglycyrrhizinate) injections, Runzhong (Entecavir) dispersible tablets, Mingzheng (Adefovir Dipivoxil) capsules, Tianqingganping (Diammonium Glycyrrhizinate) enteric capsules, Ganlixin (Diammonium Glycyrrhizinate) injections and capsules
Cardio-cerebral medicines:	Yilunping (Irbesartan/Hydrochlorothiazide) tablets, Tianqingning (Hydroxyethylstarch 130) injections, Tuotuo (Rosuvastatin Calcium) tablets
Oncology medicines:	Tianqingyitai (Zolebronate Acid) injections
Parenteral nutritious medicines:	Xinhaineng (Carbohydrate and Electrolyte) injections, Fenghaineng fructose injections
Anti-infectious medicines:	Tiance (Biapenem) injections
Anorectal medicines:	Getai (Diosmin) tablets

Products with great potential:

Cardio-cerebral medicines:	Tianqingganan (Glycerin and Fructose) injections
Oncology medicines:	Renyi (Pamidronate Disodium) injections, Zhiruo (Palonosetron Hydrochloride) injections, Saiweijian (Raltitrexed) injections, Qingweike (Decitabine for injections)
Respiratory system medicines:	Tianqingsule (Tiotropium Bromide) inhalation powder, Chia Tai Suke (Cefaclor and Bromhexine Hydrochloride) tablets
Diabetic medicines:	Taibai (Metformin Hydrochloride) sustained release tablets

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.

Beijing Tide Pharmaceutical Co. Ltd. ("Beijing Tide"), an associate of the Group, 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: Chia Tai – Tianqing Pharmaceutical Holdings Co. Ltd. ("CT Tianqing"), 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. ("Jiangsu Qingjiang"), Qingdao Chia Tai Haier Pharmaceutical Co., Ltd. ("Qingdao Haier"), Shanghai Tongyong Pharmaceutical Co., Ltd. ("Shanghai Tongyong") and Lianyungang Runzhong Pharmaceutical Co., Ltd. ("LYG Runzhong") have been designated "High and New Technology Enterprises". CT Tianqing was designated "2011 Most Valuable Investment Enterprise of the PRC Pharmaceutical Enterprises" from the PRC Pharmaceutical Industry Information Centre. In addition, NJCTT, Jiangsu Qingjiang and Jiangsu Fenghai have been designated "Engineering Technological Research Centre for treating tumors and cardio-cerebral phytochemistry injections of Jiangsu Province", "Orthopedic Medicines Preparation Research Centre" and "Engineering Technology Research Centre for Anorectal Nutritious Medicines" by The Science and Technology Committee of Jiangsu Province, respectively.

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

In September 2011, CT Tianqing has received the first certificate of new edition GMP (Certificate No. CN20110001) issued by the State Food and Drug Administration of the PRC for its small volume parenteral solution (injection) dosage.

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 Company became a constituent of the MSCI Global Standard Indices' MSCI China Index with effect from the close of trading on 31 May, 2013.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

During the year of 2013, the global economy was relatively stable and a slight decrease in the overall economic growth rate was registered. Under the influence of the international economy and the PRC Government's macro-regulation, the economic growth in the PRC experienced a slowdown and the PRC's GDP growth was 7.7%, being the lowest level within 14 years. In addition, the government has also tightened regulation on medical promotion which has added pressure on the pharmaceutical industry. As the production and operational costs continued to increase, it has further squeezed industry profitability. However, favourable government policies such as expansion of both medical insurance coverage and the basic drugs list in different provinces supported the pharmaceutical industry to grow faster than others. From the data of the National Development and Reform Commission, income from principal operating business in the pharmaceutical industry amounted to approximately RMB2,168.2 billion in 2013, representing a year-on-year increase of approximately 17.9%, and the profit also continued to record a relatively high year-on-year increase of approximately 17.6% to reach approximately RMB219.7 billion this year.

Business Review

During the year under review, new government policies covering tenders, medical insurance and basic medicines were gradually promulgated, which have exerted extra pressure on production costs and the operational environment. In response, all enterprises under the Group have embarked on a number of initiatives which have bolstered our performance. Noteworthy here were the measures aimed at enhancing the quality of management staff to increase working efficiency through training, and strengthening production and quality control schemes to lower production cost. The Group also provided compliance training internally for medicine sales teams to enhance their professional expertise and promotion skills in order to extend the market penetration of our products.

As for medicine production, the Group further upgraded the production lines for its hepatitis and cardio-cerebral medicines. While consolidating its industry-leading position and competitive edge in the above fields, the Group has also actively expanded the respiratory system, oncology and diabetes medicine sectors and has made certain progress in these areas which are expected to become new business growth contributors. During the year under review, the Group has continued to reinforce its leading position in the hepatitis medicine sector, and enhanced the promotion and marketing effort on respiratory system medicines which has gradually expanded the market share and became a new sales growth engine in return. Furthermore, the Group has also allocated more resources for new product development. In 2013, the Group has obtained the first replica production approval to produce dasatinib tablets for treating chronic myeloid leukemia ("CML") in the PRC. Dasatinib is a multi-target tyrosine kinase inhibitor, which is suitable for adult patients of CML in a chronic phase with resistance or intolerance to prior treatment including imatinib mesylate.

The Group recorded turnover of approximately HK$9,901.20 million during the year under review, an increase of approximately 32.1% against the same period last year. Before and after accounted for unrealized fair value losses/(gains) of equity investments at fair value through profit or loss, profit attributable to the Group was approximately HK$1,065.30 million and approximately HK$1,036.76 million, respectively, approximately 24.1% and approximately 16.4% higher than in the same period last year, respectively. Based on the profit attributable to the Group before and after accounted for unrealized fair value losses/(gains) of equity investments at fair value through profit or loss, the basic earnings per share were approximately HK21.56 cents and approximately HK20.98 cents, respectively, approximately 24.1% and approximately 16.4% higher than in the same period last year, respectively. Cash and bank balances totaled approximately HK$2,981.34 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 cardio-cerebral diseases and hepatitis, the Group also actively developed oncology medicines, analgesic medicines, parenteral nutritious medicines, orthopedic medicines, anti-infectious medicines, respiratory system medicines, anorectal medicines and diabetic medicines, etc.

Hepatitis medicines

For the year ended 31 December, 2013, the sales of hepatitis medicines amounted to approximately HK$4,867.52 million, representing approximately 49.2% of the Group's turnover.

CT Tianqing 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, 2013, its sales amounted to approximately HK$172.90 million. 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$378.02 million in the year, representing a growth of approximately 20.4% when compared with the same period last year. In 2005, CT Tianqing 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$1,748.31 million, an increase of approximately 27.9% against the same period last year. The Group believes that medicine series made with ingredients extracted from Licorice will help to maintain CT Tianqing'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, 2013, its sales amounted to approximately HK$778.60 million.

CT Tianqing's self-developed new medicine for hepatitis B, Runzhong (Entecavir) dispersible tablet, has obtained the new product approval certificate and production approval in February 2010, making CT Tianqing 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, 2013, the sales amounted to approximately HK$1,669.33 million, an increase of approximately 56.1% against the same period last year. Runzhong dispersible tablet is the latest generation of guanine nucleoside analogue oral medicine used mainly 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 2005, the medicine recorded strong sales growth around the world as one of the most efficacious hepatitis B medicines.

Cardio-cerebral medicines

For the year ended 31 December, 2013, after accounted for certain pharmaceutical products not being consolidated but under the management of the Group, the sales of cardio-cerebral medicines amounted to approximately HK$2,742.12 million, representing approximately 21.9% of the adjusted turnover of the Group. The consolidated sales of cardio-cerebral medicines of the Group amounted to approximately HK$984.44 million, representing approximately 9.9% of the Group's turnover.

NJCTT's Tianqingning injections 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, 2013, the product recorded the sales of approximately HK$218.49 million. The sales of another pharmaceutical product, Yilunping tablets, amounted to approximately HK$387.41 million for the year ended 31 December, 2013, an increase of approximately 35.9% when compared with the same period last year. For the year ended 31 December, 2013, the sales of Tuotuo calcium tablets amounted to approximately HK$208.78 million, a sharp increase of approximately 86% when compared with the same period last year.

Kaishi injections 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 was awarded GMP medicine certification by the Public Welfare and Health Ministry of Japan in February 2008. For the year ended 31 December, 2013, the sales of Kaishi injections amounted to approximately HK$1,611.10 million.

Oncology medicines

For the year ended 31 December, 2013, the sales of oncology medicines amounted to approximately HK$827.97 million, representing approximately 8.4% of the Group's turnover.

Tianqingyitai injections, Tianqingrian injections, Zhiruo injections and Renyi injections are mainly developed and manufactured by CT Tianqing and NJCTT. For the year ended 31 December, 2013, sales of oncology medicines amounted to approximately HK$827.97 million, an increase of approximately 34.6% as compared with the same period last year. A new product, Qingweike injections, was launched in January 2013 and has been well received from the market. For the year ended 31 December, 2013, its sales amounted to approximately HK$49.06 million.

Analgesic medicines

For the year ended 31 December, 2013, after accounted for certain pharmaceutical products not being consolidated but under the management of the Group, the sales of analgesic medicines amounted to approximately HK$842.66 million, representing approximately 6.7% of the adjusted turnover of the Group.

Launched in 2005, the analgesic medicine Kaifen injections 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. The sales of the product for the year ended 31 December, 2013 amounted to approximately HK$754.71 million, approximately 19% higher than that as compared with the same period last year.

Parenteral nutritious medicines

For the year ended 31 December, 2013, the sales of parenteral medicines amounted to approximately HK$787.93 million, representing approximately 8% of the Group's turnover.

The main product of parenteral nutritious medicines is Xinhaineng injections. For the year ended 31 December, 2013, the sales amounted to approximately HK$545.53 million, a significant increase by approximately 116.2% as compared with the same period last year. For the year ended 31 December, 2013, the sales of Fenghaineng fructose injections amounted to approximately HK$233.16 million, an increase of approximately 31.4% as compared with the same period last year.

Orthopedic medicines

For the year ended 31 December, 2013, the sales of orthopedic medicines amounted to approximately HK$726.26 million, representing approximately 7.3% of the Group's turnover.

The main product of orthopedic medicines is namely the new ossified triol capsules. For the year ended 31 December, 2013, the sales amounted to approximately HK$562.68 million, rose by approximately 33% as compared with same period last year.

Anti-infectious medicines

For the year ended 31 December, 2013, the sales of anti-infectious medicines amounted to approximately HK$469.92 million, representing approximately 4.7% of the Group's turnover.

The main product of anti-infectious medicines is Tiance injections. For the year ended 31 December, 2013, the sales amounted to approximately HK$416.56 million, approximately 13.8% higher than that as compared with the same period last year.

Respiratory system medicines

For the year ended 31 December, 2013, the sales of respiratory medicines amounted to approximately HK$268.63 million, representing approximately 2.7% of the Group's turnover.

The main product of respiratory system medicines is Tianqingsule inhalation powder. For the year ended 31 December, 2013, the sales amounted to approximately HK$118.47 million, an increase by approximately 56.4% as compared with the same period last year. For the year ended 31 December, 2013, the sales of another pharmaceutical product, Chia Tai Suke tablets, was very outstanding and amounted to approximately HK$109.07 million, a remarkable increase of approximately 129.9% as compared with the same period last year.

Anorectal medicines

For the year ended 31 December, 2013, the sales of anorectal medicines amounted to approximately HK$224.51 million, representing approximately 2.3% of the Group's turnover.

The main product of anorectal medicines is Getai tablets. For the year ended 31 December, 2013, the sales amounted to approximately HK$173.21 million, an increase by approximately 19.2% as compared with the same period last year.

Diabetic medicines

For the year ended 31 December, 2013, the sales of diabetic medicines amounted to approximately HK$63.13 million, representing approximately 0.6% of the Group's turnover.

The main diabetic medicine of the Group, Taibai sustained release tablets, which is used for lowering blood sugar level, was developed and manufactured by CT Tianqing. There are more than 30 million diabetics in the PRC and the 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 stabilize a patient's blood sugar level. For the year ended 31 December, 2013, the sales of the product have amounted to approximately HK$50.63 million, an increase by approximately 23.3% as compared with the same period last year.

RESEARCH AND DEVELOPMENT ("R&D")

The Group has continued to focus its R&D efforts on new cardio-cerebral, hepatitis, oncology, analgesia and respiratory system medicines. During the year under review, 9 production applications of the Group have been accepted. Moreover, a total of 95 pharmaceutical products had completed clinical research, or were under clinical trial or applying for production approval. Out of these, 20 were for cardio-cerebral medicines, 11 for hepatitis medicines, 39 for oncology medicines, 4 for respiratory system medicines, 1 for a diabetic medicine and 20 for other medicines.

Over the years, the Group has been placing high importance on the development of proprietary innovative medicines and generic drugs by itself, as well as through collaboration and imitation, to both raise R&D standards and efficiency. In light of the fact that R&D continues to be the lifeblood of its development, the Group continues to devote into more resources. For the year ended 31 December, 2013, it invested approximately HK$889.48 million in R&D, which accounted for approximately 9% of turnover.

The Group also places major emphasis on the protection of intellectual property rights. It encourages its enterprises to apply for patent applications as a means to enhance the Group's core competitiveness. During the year under review, 25 patent applications submitted by the Group have been accepted, and it has received 19 invention patents and 1 apparel design patent. Altogether, the Group has obtained 324 invention patent approvals, 3 utility model patent approvals and 43 apparel design patent approvals.

INVESTOR RELATIONS

The Group has a long-standing commitment to maintaining high standards of corporate governance to ensure sustainable growth. During the year under review, the Group has proactively communicated with local and overseas investors through different communication channels which enhanced their understanding of the Group and its business, as well as its latest developments. Besides, as the Group understands the importance of good investor relations to corporate governance, it has also undertaken efforts to solicit different opinions and obtain pertinent information through regular contact with investors in order to further upgrade the Group's corporate governance standards.

During the year under review, the Group has proactively embarked on a number of initiatives to communicate the latest information about its business to investors in a timely manner. It has participated in 32 major investor conferences and roadshows across Europe, the US and Asia. Prominent among these events included the "Morgan Stanley 2013 Global Healthcare Unplugged Conference", "Goldman Sachs 34rd Annual Global Healthcare Conference", "J.P. Morgan China Conference 2013", "4th Annual dbAccess Asia Conference", "Credit Suisse Asian Healthcare Conference", "Bank of America Merrill Lynch 2013 China Conference" and "18th CLSA China Forum". Moreover, the Group has arranged over 170 factory site visits, teleconferences and one-on-one meetings with international and local institutional investors. Altogether, these investor relations events have helped more than 890 potential investors to increase their knowledge about the Group's latest development and operations, thereby solidifying the confidence of shareholders, investors and customers in the Group's business.

Reflecting the success of its efforts in cultivating closer ties with the investment community, the Group has featured prominently in Institutional Investor Magazine's "2013 All Asian Executive Team" rankings, being selected first overall within the "Best IR Company of the Healthcare and Pharmaceutical Sector" category, as chosen by a poll of buy-side analysts. The Group also placed 21st in the "Best Company of Hong Kong" and 98th in the "Most Honored Company" rosters. These solid performances highlight the positive opinions of more than 900 money managers and investment professionals at over 600 buy-side firms. The Group's prominent position in these leadership lists clearly demonstrates the high recognition of the Group among the investment community.

In addition, the Group 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 corporate announcements in a timely manner to inform shareholders and investors about its latest developments, further facilitating a high degree of transparency.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had complied with all the Code Provisions set out in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December, 2013 except for Code Provision A.6.7 in relation to the attendance of general meetings by independent non-executive directors ("INEDs") and other non-executive directors. Out of four INEDs of the Company, three INEDs attended the annual general meeting (the "2013 AGM") and the extraordinary general meeting (the "2013 EGM") of the Company both held on 28 May, 2013 but one INED was unable to attend the 2013 AGM and the 2013 EGM due to other business engagement.

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, 2013, the Group's cash and bank balances was approximately HK$2,981.34 million (31 December, 2012: approximately HK$2,547.46 million *(Restated)*).

CAPITAL STRUCTURE

As at 31 December, 2013, the Group had short term loans of approximately HK$74.15 million (31 December, 2012: approximately HK$21.15 million *(Restated)*) and had no long term loans (31 December, 2012: approximately HK$19.90 million *(Restated)*).

CHARGE ON ASSETS

As at 31 December, 2013, the Group had no charge on assets (31 December, 2012: Nil).

CONTINGENT LIABILITIES

As at 31 December, 2013, the Group and the Company had no material contingent liabilities (31 December, 2012: Nil).

ASSETS AND GEARING RATIO

As at 31 December, 2013, the total assets of the Group amounted to approximately HK$9,968.87 million (31 December, 2012: approximately HK$7,701.18 million *(Restated)*) whereas the total liabilities amounted to approximately HK$2,743.90 million (31 December, 2012: approximately HK$1,916.48 million *(Restated)*). The gearing ratio (total liabilities over total assets) was approximately 27.5% (31 December, 2012: approximately 24.9% *(Restated)*).

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 cost (including Directors' remuneration) for the year was approximately HK$972,590,000 (2012: approximately HK$796,267,000 *(Restated)*).

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.

PROSPECTS

The outlook for the PRC economy will remain uncertain in 2014. The country has estimated that the economic growth for the year would be 7.5%, similar to 2013. Meanwhile, the PRC pharmaceutical industry is expected to face many uncertainties as well. While the reforms relating to medical system and healthcare institutions have been deepened, more polices are expected to be announced in 2014. Since medicine tendering and price cuts are set to continue, the optimisation of a payment model of medical insurance, cancellation of medicine markups and revision of "Drug Administration Law" present new challenges for industry players. The new GMP deadline at the end of 2013 caused 523 companies to close down for failure to meet qualifications. However, despite the challenges, the expansion of the basic drugs list, cancellation of the highest retail price of medicines at lower prices and the policy to raise the financial subsidy standards for basic medical insurance of the rural population will create scope for the growth of the pharmaceutical industry. Therefore, there will be both opportunities and challenges within the industry.

The "Opinions on Promoting the Development of Health Service Industry" issued by the government in 2013 includes a development blueprint providing a market scale of up to RMB8,000 billion. Under this directive the government is encouraging companies, charitable organisations, foundations and insurers to invest in the healthcare service industry via capital injection, action to implement system reform, trusteeship or through public or private operations. The notice specifically requires local governments to implement uniform polices and standards for non-public medical institutions or public medical institutions entering the market. These policies would encompass social insurance, development of key specialties, designation of occupational titles, academic positions, assessment of grades and technology, which would benefit private hospitals.

To summarise, the Group anticipates that there will be both opportunities and challenges facing the PRC pharmaceutical industry in 2014 but that the industry is moving forward to a better overall future.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Tuesday, 27 May, 2014 (the "AGM"), a notice of which will be published and despatched to the shareholders of the Company as soon as practicable in accordance with the memorandum and articles of association of the Company and the Listing Rules.

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, 2013 together with the comparative consolidated results for 2012 as follows:

Condensed Consolidated Income Statement

	Notes	For the year ended 31 December, 2013 HK$'000	2012 HK$'000 (Restated)
REVENUE	5	**9,901,196**	7,496,888
Cost of sales		**(2,228,351)**	(1,610,587)
Gross profit		**7,672,845**	5,886,301
Other income and gains	5	**188,782**	139,253
Selling and distribution costs		**(4,413,986)**	(3,322,544)
Administrative expenses		**(638,312)**	(669,960)
Other expenses		**(908,321)**	(540,972)
Finance cost	6	**(2,500)**	(9,650)
Share of profits and losses of associates and a joint venture		**238,002**	240,179
PROFIT BEFORE TAX	7	**2,136,510**	1,722,607
Income tax expense	8	**(354,551)**	(305,135)
PROFIT FOR THE YEAR		**1,781,959**	1,417,472
Profit attributable to:			
Owners of the parent		**1,036,764**	890,758
Non-controlling interests		**745,195**	526,714
		1,781,959	1,417,472
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
– Basic and diluted		**HK20.98 cents**	HK18.03 cents

Details of the dividends payable and recommended for the year are disclosed in note 9 to the financial statements.

Condensed Consolidated Statement of Comprehensive Income

	For the year ended 31 December,	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
PROFIT FOR THE YEAR	**1,781,959**	1,417,472
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**94,632**	22,866
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**94,632**	22,866
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	**72,779**	16,448
Income tax effect	**(9,816)**	(2,522)
	62,963	13,926
Share of other comprehensive income of associates and a joint venture	**19,827**	31,457
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**82,790**	45,383
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**177,422**	68,249
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,959,381**	1,485,721
Attributable to:		
Owners of the parent	**1,146,930**	943,974
Non-controlling interests	**812,451**	541,747
	1,959,381	1,485,721

Condensed Consolidated Statement of Financial Position

	Notes	**31 December, 2013** *HK$'000*	31 December, 2012 *HK$'000* *(Restated)*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,107,111**	1,717,330
Prepaid land lease payments		**192,969**	131,208
Goodwill		**58,083**	38,787
Other intangible assets		**87,759**	82,265
Investment in associates and a joint venture		**1,119,122**	725,548
Available-for-sale investments		**142,747**	29,820
Deferred tax assets		**122,243**	69,364
Long term prepayments		**311,942**	308,730
Total non-current assets		**4,141,976**	3,103,052
CURRENT ASSETS			
Inventories		**805,343**	553,077
Trade and bill receivables	*11*	**1,582,998**	1,133,715
Prepayments, deposits and other receivables		**317,506**	243,786
Due from related companies		**1,019**	614
Equity investments at fair value through profit or loss		**138,682**	119,479
Cash and bank balances	*12*	**2,981,343**	2,547,455
Total current assets		**5,826,891**	4,598,126
CURRENT LIABILITIES			
Trade payables	*13*	**475,003**	295,180
Tax payable		**58,267**	29,879
Other payables and accruals		**1,971,324**	1,442,553
Interest-bearing bank borrowings		**74,153**	21,146
Due to related companies		**1,123**	6,180
Total current liabilities		**2,579,870**	1,794,938
NET CURRENT ASSETS		**3,247,021**	2,803,188
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,388,997**	5,906,240
NON-CURRENT LIABILITIES			
Deferred government grants		**96,197**	74,908
Interest-bearing bank borrowings		–	19,902
Deferred tax liabilities		**67,837**	26,734
Total non-current liabilities		**164,034**	121,544
Net assets		**7,224,963**	5,784,696
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*14*	**123,536**	123,536
Reserves		**5,264,651**	4,359,611
Proposed final dividend		**98,829**	98,829
		5,487,016	4,581,976
Non-controlling interests		**1,737,947**	1,202,720
Total equity		**7,224,963**	5,784,696

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain buildings classified as property, plant and equipment 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

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, 2013. 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 on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICES AND DISCLOSURES

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Except for the adoption of HKFRS 11, the adoption of other new and revised HKFRSs has had no significant financial effect on these financial statements.

3. 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 9	*Financial Instruments*[3]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[3]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) *– Investment Entities*[1]
HKFRS 14	*Regulatory Deferred Account*[4]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]

1 Effective for annual periods beginning on or after 1 January, 2014
2 Effective for annual periods beginning on or after 1 July, 2014
3 No mandatory effective date yet determined but is available for adoption
4 Effective for annual periods beginning on or after 1 January, 2016

4. 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 and short term investments; and

(c) the other segment comprises, principally, (i) the Group's R&D sector which provides services to third-party; and (ii) related healthcare and hospital business.

Management monitors the results of its 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.

Segment assets exclude deferred tax assets and investment 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, 2013

	Modernized Chinese medicines and chemical medicines *HK$'000*	Investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	**9,657,398**	**–**	**243,798**	**9,901,196**
Segment results	**1,712,746**	**257,184**	**74,486**	**2,044,416**
Reconciliation:				
Interest and unallocated gains				**68,524**
Share of profits and losses of associates				**238,002**
Unallocated expenses				**(214,432)**
Profit before tax				**2,136,510**
Income tax expense				**(354,551)**
Profit for the year				**1,781,959**
Assets and liabilities				
Segment assets	**6,278,888**	**2,110,492**	**338,122**	**8,727,502**
Reconciliation:				
Investment in associates				**1,119,122**
Other unallocated assets				**122,243**
Total assets				**9,968,867**
Segment liabilities	**2,423,227**	**89,600**	**104,973**	**2,617,800**
Reconciliation:				
Other unallocated liabilities				**126,104**
Total liabilities				**2,743,904**
Other segment information:				
Depreciation and amortisation	**219,329**	**1,871**	**6,524**	**227,724**
Capital expenditure	**464,284**	**9,337**	**109,103**	**582,724**
Other non-cash expenses	**3,384**	**33**	**–**	**3,417**

The segment results for the year ended 31 December, 2012 *(Restated)*

	Modernized Chinese medicines and chemical medicines *HK$'000*	Investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	7,282,816	–	214,072	7,496,888
Segment results	1,541,689	27,769	59,913	1,629,371
Reconciliation:				
Interest and unallocated gains				57,746
Share of profits and losses of associates and a joint venture				240,179
Unallocated expenses				(204,689)
Profit before tax				1,722,607
Income tax expense				(305,135)
Profit for the year				1,417,472
Assets and liabilities				
Segment assets	4,548,662	2,118,129	239,475	6,906,266
Reconciliation:				
Investment in associates and a joint venture				725,548
Other unallocated assets				69,364
Total assets				7,701,178
Segment liabilities	1,751,350	41,336	67,183	1,859,869
Reconciliation:				
Other unallocated liabilities				56,613
Total liabilities				1,916,482
Other segment information:				
Depreciation and amortisation	174,827	1,241	6,063	182,131
Capital expenditure	335,392	486	9,814	345,692
Other non-cash expenses	4,541	23	–	4,564

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 based 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, 2013 and 2012.

5. 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,	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Sale of goods	**9,901,196**	7,496,888
	9,901,196	7,496,888
Other income and gains		
Bank interest income	**68,524**	54,713
Dividend income	**14,040**	7,193
Sale of scrap materials	**26,137**	10,614
Government grants	**24,326**	22,990
Others	**16,532**	18,806
	149,559	114,316
Gains		
Gain on disposal items of property, plant and equipment	**4,718**	20
Gain on disposal of a subsidiary	**–**	3,033
Fair value gains		
Equity investments at fair value through profit or loss		
– held for trading	**–**	21,884
Gain on acquisition of an associate	**34,505**	–
	39,223	24,937
Total other income and gains	**188,782**	139,253

6. FINANCE COST

	For the year ended 31 December,	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Interest on bank borrowings wholly repayable within five years	**2,500**	9,650

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the year ended 31 December,	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Cost of sales	**2,228,351**	1,610,587
Depreciation	**207,115**	175,862
Recognition of prepaid land lease payments	**3,781**	2,744
Amortization of other intangible assets	**16,828**	3,525
Research and development costs	**878,051**	540,328
Revaluation deficit of property, plant and equipment	**1,102**	2,170
Gain on disposal of property, plant and equipment	**(4,718)**	(20)
Gain on acquisition of an associate	**(34,505)**	–
Loss on disposal of property, plant and equipment	**3,417**	4,564
Bank interest income	**(68,524)**	(54,713)
Dividend income	**(14,040)**	(7,193)
Gain on disposal of a subsidiary	**–**	(3,033)
Fair value losses/(gains), net:		
Equity investments at fair value through profit or loss		
– held for trading	**28,538**	(21,884)
Impairment of available-for-sale investments	**–**	10,015
Minimum lease payments under operating leases:		
Land and buildings	**29,543**	19,369
Auditors' remuneration	**4,111**	3,940
Staff cost (including directors' remuneration)		
Wages and salaries	**833,542**	682,425
Pension contributions	**139,048**	113,842
	972,590	796,267
Accrual/(Reversal) of impairment loss of trade receivables	**694**	(5,924)
Foreign exchange differences, net	**(41,926)**	(9,235)

8. INCOME TAX

	For the year ended 31 December,	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Group:		
Current – Hong Kong	**–**	–
Current – Mainland China income tax	**350,476**	334,069
Deferred tax	**4,075**	(28,934)
Total tax charge for the year	**354,551**	305,135

Hong Kong profits tax has been provided at a rate of 16.5% (2012: 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.

In the year ended 31 December, 2013, CT Tianqing, NJCTT, Jiangsu Fenghai, Jiangsu Qingjiang, Qingdao Haier, Shanghai Tongyong and LYG Runzhong were subject to a corporate income tax rate of 15% because they are qualified as a "High and New Technology Enterprise".

Other than the above mentioned entities, the other entities located in the PRC are subject to a corporate income tax rate of 25% in 2013.

9. DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended a final dividend of HK2 cents per ordinary share for the year ended 31 December, 2013 (2012: HK2 cents). The dividend will be paid to shareholders on Thursday, 19 June, 2014 whose names appear on the Register of Members of the Company on Tuesday, 10 June, 2014.

The Register of Members of the Company will be closed for the following periods:-

(a) For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 26 May, 2014 to Tuesday, 27 May, 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attendance and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on Friday, 23 May, 2014. Please note the details of the change of address of Tricor Tengis Limited at the latter part of this announcement.

(b) For the purpose of determining shareholders who are qualified for the final dividend, the register of members of the Company will be closed from Monday, 9 June, 2014 to Tuesday, 10 June, 2014, both days inclusive, during which period no transfer of shares 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, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on Friday, 6 June, 2014.

10. 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$1,036,764,000 (2012: approximately HK$890,758,000), and the weighted average number of ordinary shares of 4,941,461,473 (2012: 4,941,461,473) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during these two years.

11. TRADE AND BILL 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, 2013 *HK$'000*	31 December, 2012 *HK$'000* *(Restated)*
Current to 90 days	**1,329,120**	950,744
91 days to 180 days	**236,492**	172,591
Over 180 days	**17,386**	10,380
	1,582,998	1,133,715

12. CASH AND BANK BALANCES

	31 December, 2013 *HK$'000*	31 December, 2012 *HK$'000* *(Restated)*
Cash and bank balances, unrestricted	**1,438,151**	957,498
Time deposits with original maturity of less than three months	**1,452,262**	1,537,235
Time deposits with original maturity of more than three months	**90,930**	52,722
	2,981,343	2,547,455

13. 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, 2013	31 December, 2012
	HK$'000	*HK$'000*
		(Restated)
Current to 90 days	**364,359**	216,946
91 days to 180 days	**72,853**	53,550
Over 180 days	**37,791**	24,684
	475,003	295,180

14. SHARE CAPITAL

	31 December, 2013	31 December, 2012
	HK$'000	*HK$'000*
Authorised:		
8,000,000,000 ordinary shares of HK$0.025 each (2012: 8,000,000,000 ordinary shares of HK$0.025 each)	**200,000**	200,000
Issued and fully paid:		
4,941,461,473 ordinary shares of HK$0.025 each (2012: 4,941,461,473 ordinary shares of HK$0.025 each)	**123,536**	123,536

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

The Group has complied with Rules 3.10 and 3.10(A) of the Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications, or accounting or related financial management expertise. The Company has appointed four INEDs including one with financial management expertise, details of their biographies will be set out in the 2013 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 consolidated financial statements of the Company for the year ended 31 December, 2013.

FACILITY AGREEMENT WITH SPECIFIC PERFORMANCE COVENANTS

On 20 December, 2013, the Company has entered into a facility agreement (the "Facility Agreement") with a consortium of various banks jointly led by Société Générale Asia Limited, Industrial and Commercial Bank of China (Asia) Limited and Mega International Commercial Bank Co., Ltd., Offshore Banking Branch for a three-year unsecured loan in the principal sum of USD165,000,000. Pursuant to the terms of the Facility Agreement, there are covenants regarding the shareholding of the Company to be retained by Mr. Tse Ping ("Mr. Tse") and that Mr. Tse has to remain as chairman of the Group.

EXTENSION OF THE DATE OF THE PROPOSED LISTING OF BEIJING TIDE UNDER THE RESTRUCTURING AGREEMENT

On 23 December, 2013, the Company, France Investment (China 1) Group Limited and Mr. Tse have entered into a supplemental agreement pursuant to which the parties thereto agreed to extend the proposed listing date of Beijing Tide from 31 December, 2013 to 31 December, 2016.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

The Company hereby announces that with effect from 31 March, 2014, the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited (the "Branch Share Registrar"), will change its address from 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong to:

Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year from 1 January, 2013 to 31 December, 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Sino Biopharmaceutical Limited
Tse Ping
Chairman

PRC, 26 March, 2014

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 four Independent Non-Executive Directors, namely Mr. Lu Zhengfei, Mr. Li Dakui, Ms. Li Jun and Mr. Mei Xingbao.