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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH, 2019

FINANCIAL HIGHLIGHTS

For the three months ended 31 March, 2019, the Group recorded the following unaudited operational results:

– Revenue was approximately RMB6,208.03 million, an increase of approximately 33.4% over the same period last year;

– Underlying profit* attributable to the owners of the parent was approximately RMB976.38 million, approximately 22.4% higher than that of the same period last year;

– Earnings per share, based on the underlying profit* attributable to the owners of the parent, were approximately RMB7.75 cents, approximately 16.4% higher than that of the same period last year;

– Sales of new products accounted for approximately 17.7% of the Group's total revenue; and

– Cash and bank balances as at 31 March, 2019 was approximately RMB6,190.31 million.

The Board of the Company has declared the payment of a quarterly dividend of HK2 cents per share for the three months ended 31 March, 2019.

* Underlying profit represents profit attributable to the owners of the parent excluding the impact of (i) amortization expenses of new identifiable intangible assets arising from the acquisition of 24% interests in Beijing Tide; and (ii) unrealized fair value gains and losses on equity investments and financial assets. A reconciliation between profit attributable to the owners of the parent and underlying profit has been set out under the section headed "Underlying Profit" of this announcement.

CORPORATE PROFILE

Sino Biopharmaceutical Limited (the "Company"), together with its subsidiaries (the "Group"), is a leading, innovative and research and development ("R&D") driven pharmaceutical conglomerate in the People's Republic of China ("China" or "PRC"). Our business encompasses a fully integrated chain in pharmaceutical products which covers an array of R&D platforms, a line-up of intelligent production and a strong sales system. The Group's products have gained a competitive foothold in various therapeutic categories with promising potentials, comprising a variety of biopharmaceutical and chemical medicines for treating tumours, liver disease, cardio-cerebral diseases, analgesia, respiratory system diseases and orthopedic diseases. In order to enhance our sustainable competitiveness, the Group attaches great importance to R&D breakthroughs and is positioned as an industry leader in terms of R&D expenditures and product innovation. The Group also actively establishes and extends co-operations with leading domestic and overseas pharmaceutical institutes and enterprises, with a view to bringing about the ecological commercialization of world-frontier R&D results to benefit the mankind. To take advantage of the development in technology and policy changes and capitalize on opportunities arising from extension of our principal business, the Group adopts a comprehensive strategic layout of development in the greater healthcare field. Meanwhile, the Group actively utilize new technologies in Big Data, Artificial Intelligence and Financial Technology to continuously enhance the efficiency of our management, R&D, manufacturing and sales activities.

Principal products:

Hepatitis medicines:	Runzhong (Entecavir) dispersible tablets, Tianqingganmei (Magnesium Isoglycyrrhizinate) injections, Tianding (Entecavir Maleate) tablets, Tianqingganping (Diammonium Glycyrrhizinate) enteric capsules, Mingzheng (Adefovir Dipivoxil) capsules, Ganze (Entecavir) capsules
Cardio-cerebral medicines:	Kaishi (Alprostadil) injections, Yilunping (Irbesartan/Hydrochlorothiazide) tablets, Tuotuo (Rosuvastatin Calcium) tablets, Kaina (Beraprost Sodium) tablets, Tianqingning (Hydroxyethylstarch 130) injections
Oncology medicines:	Focus V (Anlotinib Hydrochloride) capsules, Saiweijian (Raltitrexed) injections, Tianqingyitai (Zoledronic Acid) injections, Genike (Imatinib Mesylate) capsules, Qingweike (Decitabine for injections), Zhiruo (Palonosetron Hydrochloride) injections, Shoufu (Capecitabine) tablets, Yinishu (Dasatinib) tablets
Analgesic medicines:	Kaifen (Flurbiprofen Axetil) injections, Debaian (Flurbiprofen) Cataplasms
Orthopedic medicines:	Gaisanchun (Calcitriol) capsules, Jiuli (Glucosamine Hydrochloride) tablets

Digestive system medicines:	Aisuping (Esomeprazole Sodium) injections, Getai (Diosmin) tablets
Anti-infectious medicines:	Tiance (Biapenem) injections, Tianjie (Tigecycline for injections)
Respiratory system medicines:	Tianqingsule (Tiotropium Bromide) inhalation powder, Chia Tai Suke (Cefaclor and Bromhexine Hydrochloride) tablets
Parenteral nutritious medicines:	Xinhaineng (Carbohydrate and Electrolyte) injections, Fenghaineng (Fructose) injections

Products with great potential:

Hepatitis medicines:	Qingzhong (Tenofovir Disoproxil Fumarate) tablets
Cardio-cerebral medicines:	Tianqingganan (Glycerin and Fructose) injections, Yifanli (Xylitol) injections
Oncology medicines:	Renyi (Pamidronate Disodium) injections
Analgesic medicines:	Debaining (Lidocaine) Cataplasm
Orthopedic medicines:	Yigu (Zoledronic Acid) injections
Digestive system medicines:	Deyou (Pronase) granules
Respiratory system medicines:	Zhongchang (Fudosteine) 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.

The Group's several principal subsidiaries: Chia Tai – Tianqing Pharmaceutical Group Co. Ltd. ("CT Tianqing"), Beijing Tide Pharmaceutical Co. Ltd. ("Beijing Tide"), Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. ("NJCTT"), Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd. ("Jiangsu CT Fenghai"), Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd. ("Jiangsu CT Qingjiang"), CP Pharmaceutical (Qingdao) Co., Ltd. ("CP Qingdao") 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 CT Qingjiang and Jiangsu CT Fenghai have been designated "Engineering Technological Research Centre for treating tumors and cardio-cerebral phytochemistry medicines of Jiangsu Province", "Engineering Technological Research Centre for orthopedic medicines" and "Engineering Technological Research Centre for parenteral 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.

Beijing Tide obtained the renewed GMP certification for foreign pharmaceutical company from the Public Welfare and Health Ministry of Japan in December 2012. 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.

In September 2011, CT Tianqing 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 (injection) dosage.

The Company was selected as a constituent stock of the Hang Seng Index with effect from 10 September 2018.

The Company was selected as a constituent stock 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 Company was included in Forbes Asia's "Asia Fab 50 Companies" for three consecutive years in 2016, 2017 and 2018.

In December 2017, Qingzhong (Tenofovir Disoproxil Fumarate) tablet became the first generic drug in the PRC that had completed the bioequivalence study according to the "Consistency of Quality and Efficacy Evaluation for Generic Drugs" ("Consistency Evaluation") standard. The Group was the first enterprise that passed the Consistency Evaluation.

In January 2018, Tuotuo (Rosuvastatin Calcium) tablet became the only drug that was approved in the Consistency Evaluation among a whole variety of drugs within Jiangsu Province and was the first of the same kind of drugs in the PRC.

In May 2018, a new chemical Category 1 drug of antitumor – Focus V (Anlotinib Hydrochloride) capsule obtained the approval for drug registration granted by State Food and Drug Administration of the PRC.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

During the period under review, the PRC economy maintained stable growth and its GDP rose 6.4% year-on-year, despite weak global economic growth due to the uncertainties brought by trade disputes and Brexit. In the domestic pharmaceutical industry, related product prices have dropped notably subsequent to the implementation of centralized drug procurement in "4+7" cities by the Chinese government. At the same time, the implementation of a new catalogue of basic drugs and the deployment of the drugs in hospitals has accelerated in different places. Restrictions on procurement of non-basic drugs by primary healthcare facilities have also been relaxed to a certain extent. Performance evaluation of tertiary public hospitals has been enhanced while substantial inspections have been conducted at hospitals throughout the country. Strict controls on the use of adjuvant drugs and antibiotics remained in place. All these resulted in pharmaceutical companies delivering polarized performances.

Business Review

Major achievements and awards of the Group during the period:

- The self-developed new oncology medicine Anlotinib (安羅替尼) has enjoyed strong demand after its launch. As its sales surged to a new high, total revenue and profit of the Company grew significantly compared with the corresponding period last year.

- Production approval has been secured for Lenalidomide Capsules (來那度胺膠囊) and Linezolid and Glucose Injection (利奈唑胺葡萄糖注射液) (2 specifications).

- The cardio-cerebral medicine Olmesartan Medoxomil Tablet (奧美沙坦酯片) and respiratory medicine Fudosteine tablets (福多司坦片) have passed Consistency Evaluation.

- A total of 12 new invention patent approvals have been obtained, and 96 applications for invention patents have been filed.

- According to a "Report on Competitiveness of Jiangsu Talent (2018)" jointly published by Jiangsu Academy of Talent Development and the Jiangsu Talent Association, our member company CT Tianqing ranked 5th among companies in Jiangsu province in terms of staff competitiveness.

During the period under review, some of the Company's key products have been included in the catalogue of centralized drug procurement in "4+7" cities, and sales of these products grew strongly after price reductions. With the sensational performance of its heavyweight oncology medicine, the Company continued to strengthen the cooperation with academic institutions for several oncology products and conduct comprehensive in-depth clinical research. In addition to the sales of Anlotinib reaching new heights, other oncology-related products including Qianping, Genike, Yinishu, Yigu and Saiweijian also recorded satisfactory results. As the Company continued to penetrate different channels of the markets and enhance its services, sales of its digestive product Aisuping, respiratory product Tianqingsule, and cardio-cerebral products Yilunping and Tuotuo maintained their rapid growth. These factors have contributed to the total revenue and profit of the Company rising far above the level in the corresponding period last year.

As for R&D, the Company has obtained 3 approvals for drug registration during the period under review: Lenalidomide Capsules and Linezolid and Glucose Injection (2 specifications). 2 medicines have passed Consistency Evaluation: Olmesartan Medoxomil Tablet and Fudosteine tablets and 2 more have obtained clinical approvals. Applications have been filed for clinical trials for 4 Category 1 chemical medicines while 6 applications have been made for Consistency Evaluation. In addition, the Company has received 19 authorized patent notices, 12 of which are for invention patents. At the same time, 101 new patent applications have been filed, including 96 invention patents.

The Group recorded revenue of approximately RMB6,208.03 million during the period under review, representing an increase of approximately 33.4% over the same period last year. Profit attributable to the owners of the parent was approximately RMB856.70 million, approximately 11.1% higher than that of the same period last year; Earnings per share attributable to the owners of the parent were approximately RMB6.80 cents, approximately 5.6% higher than that of the same period last year. Excluding the impact of the amortization expenses of new identifiable intangible assets arising from the acquisition of 24% interests in Beijing Tide, as well as the unrealized fair value gains and losses on equity investments and financials assets, underlying profit attributable to the owners of the parent was approximately RMB976.38 million, approximately 22.4% higher than that of the same period last year. Based on underlying profit attributable to the owners of the parent, the earnings per share were approximately RMB7.75 cents, approximately 16.4% higher than that of the same period last year. Cash and bank balances totaled approximately RMB6,190.31 million at the period end.

The Group continues to focus on developing specialized medicines where its strengths lie so as to build up its brand in specialist therapeutic areas. Leveraging on its existing medicine series for treating hepatitis and cardio-cerebral diseases, the Group also actively develops oncology medicines, analgesic medicines, orthopedic medicines, digestive system medicines, anti-infectious medicines, respiratory system medicines, parenteral nutritious medicines and diabetic medicines, etc.

Hepatitis medicines

For the three months ended 31 March, 2019, the sales of hepatitis medicines amounted to approximately RMB1,741.56 million, representing approximately 28.1% of the Group's revenue.

CT Tianqing mainly produces two categories of hepatitis medicines that can protect the liver while lowering enzyme levels and combat hepatitis virus. Ganlixin injections and capsules made with ingredients extracted from Licorice have the dual effects of liver protection and lowering enzyme level. For the three months ended 31 March, 2019, its sales amounted to approximately RMB22.04 million. After the expiration of the protection period of the product, many replicas have emerged in 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 amounted to approximately RMB123.23 million in the period, an increase of approximately 18.0% against the same period last year. In addition, CT Tianqing launched the patented medicine Tianqingganmei injections, which are made with Isoglycyrrhizinate separated from Licorice. During the period under review, the product recorded the sales of approximately RMB435.83 million. 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.

Mingzheng capsule is a first-tier synthetic drug for combating hepatitis virus in the international market. For the three months ended 31 March, 2019, its sales amounted to approximately RMB51.59 million. A medicine for treating hepatitis B, Runzhong (Entecavir) dispersible tablet, is self-developed by CT Tianqing and is recognized as one of the most efficacious hepatitis B medicines. CT Tianqing was the first pharmaceutical manufacturer to gain the approval for this product in the PRC. 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. For the three months ended 31 March, 2019, the sales amounted to approximately RMB894.66 million. Sales of another product, Tianding tablets, amounted to approximately RMB120.51 million for the three months ended 31 March, 2019, an increase of approximately 0.6% against the same period last year. For the three months ended 31 March, 2019, the sales of Ganze (Entecavir) capsules amounted to approximately RMB35.25 million, an increase of approximately 3.9% against the same period last year. For the three months ended 31 March, 2019, the sales of Qingzhong tablets amounted to approximately RMB42.45 million, a sharp increase of approximately 209.2% against the same period last year.

Cardio-cerebral medicines

For the three months ended 31 March, 2019, the sales of cardio-cerebral medicines amounted to approximately RMB782.33 million, representing approximately 12.6% of the Group's revenue.

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 three months ended 31 March, 2019, the product recorded the sales of approximately RMB33.63 million. The sales of another pharmaceutical product, Yilunping tablets, amounted to approximately RMB232.97 million for the three months ended 31 March, 2019, a year-on-year increase of approximately 10.3%. For the three months ended 31 March, 2019, the sales of Tuotuo calcium tablets amounted to approximately RMB187.30 million, a year-on-year increase of approximately 7.5%.

Kaishi injections works on the Drug Delivery System (DDS) theory to improve cardio-cerebral micro-circulation blockage. It is the first lipo-microsphere targeted 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 and occupy a large portion of market share. It received many awards from various countries since launched and has obtained the renewed GMP certification for foreign pharmaceutical company from the Public Welfare and Health Ministry of Japan in December 2012. For the three months ended 31 March, 2019, the sales of Kaishi injections amounted to approximately RMB172.12 million. Applying the technology of micro-solid dispersion with microgram precision, Beraprost Sodium tablets can explicitly improve the ulcer, intermittent claudication, pain and cold symptom from the chronic arterial occlusion. For the three months ended 31 March, 2019, the sales of Beraprost sodium tablets amounted to approximately RMB111.92 million, an increase of approximately 12.8% as compared with the same period last year.

Oncology medicines

For the three months ended 31 March, 2019, the sales of oncology medicines amounted to approximately RMB1,231.33 million, representing approximately 19.8% of the Group's revenue.

Oncology medicines are mainly manufactured by CT Tianqing and NJCTT. For the three months ended 31 March, 2019, sales of Zhiruo injections amounted to approximately RMB30.89 million. The sales of Saiweijian injections amounted to approximately RMB154.57 million during the period under review, an increase of approximately 48.6% as compared with the same period last year. The sales of Tianqingyitai injections amounted to approximately RMB55.14 million during the period under review. For the three months ended 31 March, 2019, the sales of Qingweike injections amounted to approximately RMB56.04 million, an increase of 8.1% as compared with the same period last year. For the three months ended 31 March, 2019, the sales of Shoufu tablets amounted to approximately RMB52.46 million, an increase of 16.5% as compared with the same period last year. Sales of Genike capsules for the three months ended 31 March, 2019 amounted to approximately RMB64.81 million, an increase of approximately 13.0% as compared with the same period last year. Sales of Yinishu tablets for the three months ended 31 March, 2019 amounted to approximately RMB59.06 million, a significant increase of approximately 61.0% as compared with the same period last year.

Analgesic medicines

For the three months ended 31 March, 2019, the sales of analgesic medicines amounted to approximately RMB476.89 million, representing approximately 7.7% of the Group' revenue.

The analgesic medicine Kaifen injections is developed and manufactured by Beijing Tide. The product is a Flurbiprofen Axetil lipo-microsphere targeted sustained release injection produced based on the DDS theory and is famous for strong pain relieving effect with minimal side effects. The sales of the product for the three months ended 31 March, 2019 amounted to approximately RMB315.73 million Another product for relieving non-surgical joint soft tissue pain is Flurbiprofen Cataplasm, its sales for the three months ended 31 March, 2019 amounted to approximately RMB160.62 million, approximately 5.8% higher than that of the same period last year.

Orthopedic medicines

For the three months ended 31 March, 2019, the sales of orthopedic medicines amounted to approximately RMB421.88 million, representing approximately 6.8% of the Group's revenue.

The main product of orthopedic medicines is the Gaisanchun capsules. For the three months ended 31 March, 2019, its sales amounted to approximately RMB259.44 million, rose by approximately 5.9% as compared with the same period last year. For the three months ended 31 March, 2019, the sales of another product, Jiuli tablets, amounted to approximately RMB78.17 million, an increase of approximately 29.6% against the same period last year. For the three months ended 31 March, 2019, the sales of Yigu injections amounted to approximately RMB69.83 million, a remarkable increase of approximately 79.7% against the same period last year.

Digestive system medicines

For the three months ended 31 March, 2019, the sales of digestive system medicines amounted to approximately RMB354.89 million, representing approximately 5.7% of the Group's revenue.

The main product of digestive system medicines is Getai tablets. For the three months ended 31 March, 2019, its sales amounted to approximately RMB62.05 million, an increase by approximately 8.2% as compared with the same period last year. A new product, Aisuping injection was launched in May 2016. Its sales amounted to approximately RMB230.22 million for the three months ended 31 March, 2019, a significant increase by approximately 32.0% as compared with the same period last year.

Respiratory system medicines

For the three months ended 31 March, 2019, the sales of respiratory medicines amounted to approximately RMB297.72 million, representing approximately 4.8% of the Group's revenue.

The main product of respiratory system medicines is Tianqingsule inhalation powder. For the three months ended 31 March, 2019, its sales amounted to approximately RMB178.43 million, an increase by approximately 15.5% as compared with the same period last year. For the three months ended 31 March, 2019, the sales of another pharmaceutical product, Chia Tai Suke tablets, amounted to approximately RMB65.61 million, an increase by approximately 3.4% as compared with the same period last year. For the three months ended 31 March, 2019, the sales of Zhongchang tablets amounted to approximately RMB40.62 million, a significant increase by approximately 108.0% as compared with the same period last year.

Anti-infectious medicines

For the three months ended 31 March, 2019, the sales of anti-infectious medicines amounted to approximately RMB293.16 million, representing approximately 4.7% of the Group's revenue.

The main product of anti-infectious medicines is Tiance injections. For the three months ended 31 March, 2019, its sales amounted to approximately RMB178.09 million. For the three months ended 31 March, 2019, the sales of another product, Tianjie injections, amounted to approximately RMB83.55 million, an increase of approximately 19.2% against the same period last year.

Parenteral nutritious medicines

For the three months ended 31 March, 2019, the sales of parenteral medicines amounted to approximately RMB155.69 million, representing approximately 2.5% of the Group's revenue.

The main product of parenteral nutritious medicines is Xinhaineng injections. For the three months ended 31 March, 2019, its sales amounted to approximately RMB112.65 million, an increase of approximately 7.2% against the same period last year. For the three months ended 31 March, 2019, the sales of Fenghaineng fructose injections amounted to approximately RMB39.92 million.

Diabetic medicines

For the three months ended 31 March, 2019, the sales of diabetic medicines amounted to approximately RMB41.83 million, representing approximately 0.7% of the Group's revenue.

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 100 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 three months ended 31 March, 2019, the sales of the product amounted to approximately RMB37.32 million, an increase by approximately 32.9% as compared with the same period last year.

UNDERLYING PROFIT

Addition information is provided below to reconcile profit attributable to the owners of the parent and underlying profit. The reconciling items principally adjust for the impact of the amortization expenses of new identifiable intangible assets (net of deferred tax and non-controlling interests) arising from the acquisition of 24% interests of Beijing Tide in 2018 *(Note)*, and the unrealized fair value gains and losses of equity investments and financial assets.

Note: Details of the acquisition have been set out in the announcements of the Company dated 5 January, 2018 and 1 March, 2018, respectively, and the circular of the Company dated 26 January, 2018.

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the parent	**856,702**	771,102
Adjustments related to the acquisition of 24% interests in Beijing Tide:		
Amortization expenses of new identifiable intangible assets (net of deferred tax and non-controlling interests)	**105,071**	–
Unrealized fair value gains and losses of equity investments and financial assets, net	**14,603**	26,909
Underlying profit	**976,376**	798,011
Basic earnings per share		
Underlying profit attributable to the owners of the parent used in the basic earnings per share calculation	**976,376**	798,011
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation (Shares)	**12,591,798,176**	11,973,712,322
Basic earnings per share, based on underlying profit attributable to the owner of the parent (RMB' cents)	**7.75**	6.66

EQUITY INVESTMENTS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March, 2019, the Group had the non-current equity investments designated at fair value through other comprehensive income (including certain unlisted equity investments) of approximately RMB777.67 million (31 December 2018: approximately RMB743.28 million) and current equity investments designated at fair value through profit or loss (including certain listed shares investments) of approximately RMB176.87 million (31 December, 2018: approximately RMB146.81 million).

In addition, as at 31 March, 2019, the Group had the current financial assets at fair value through profit or loss, including (i) the convertible bonds of Karolinska Development AB of approximately RMB124.06 million (31 December, 2018: approximately RMB138.39 million) and (ii) certain wealth management products and trust funds of approximately RMB2,507.13 million (31 December, 2018: approximately RMB1,715.48 million), including the wealth management products of Industrial Bank (approximately RMB674.81 million), Bank of China (approximately RMB600 million), Citic Bank (approximately RMB573 million), Construction Bank (approximately RMB177.30 million), Jiangsu Bank (approximately RMB169.61 million), Industrial and Commercial Bank (approximately RMB100 million), and other banks. The wealth management products mainly consisted of the principal-guaranteed products with floating return and relatively lower risk of default. All principal and interests will be paid together on the maturity date. The Board believes that the investment in wealth management products and trust funds can strengthen the financial position of the Group and bring the fruitful contribution to the profit of the Group.

These investments amounted to approximately RMB2,631.19 million in total, representing approximately 5.1% of the total assets of the Group. For the three months ended 31 March, 2019, the Group recorded the realized gain on the disposal of the financial assets of approximately RMB24.17 million and unrealized fair value loss (net) of the equity investments and financial assets of approximately RMB14.60 million. The board of the directors (the "Board") believes that the investment in equity investments and financial assets can diversify the investment portfolio of the Group and achieve a better return to the Group in future.

R&D

The Group has continued to focus its R&D efforts on new cardio-cerebral, hepatitis, oncology, analgesic and respiratory system medicines. During the first quarter, the Group was granted 2 clinical approvals, 3 production approvals, and 2 approvals for Consistency Evaluation, and made 4 clinical applications, 6 applications for Consistency Evaluation and 8 production applications after the completion of bioequivalency. Cumulatively, a total of 501 pharmaceutical products had obtained clinical approval, or were under clinical trial or applying for production approval. Out of these, 54 were for cardio-cerebral medicines, 40 for hepatitis medicines, 208 for oncology medicines, 25 for respiratory system medicines, 26 for diabetic medicines and 148 for other medicines.

Over the years, the Group has been placing high importance on R&D and innovation, as well as through collaboration and imitation, to raise both R&D standards and efficiency. In light of the fact that R&D continues to be the lifeblood of the Group's development, the Group continues to devote into more resources. For the three months ended 31 March, 2019, the R&D expenditure of approximately RMB864.61 million, which accounted for approximately 13.9% of the Group's revenue, was charged to the statement of profit or loss.

The Group also emphasizes 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 first quarter, the Group has received 19 authorized patent notices (12 invention patents, 3 utility model patents and 4 apparel design patents) and filed 101 new patent applications (96 invention patents and 5 apparel design patents). Cumulatively, the Group has obtained 695 invention patent approvals, 23 utility model patents and 79 apparel design patents.

INVESTOR RELATIONS

Over the years, the Group has been committed to maintaining high corporate governance standards to ensure its long-term development. During the period under review, it has proactively approached investors via a variety of channels to increase their understanding of the Group's latest developments. It also has made efforts to solicit investors' opinions through more frequent exchanges with the objective of further elevating its corporate governance standards.

During the period under review, the Group took the initiative of delivering its latest business development information to investors by organizing events including its 2018 Annual Results Investor Presentation, which has attracted over 270 analysts, fund managers and other investors. Apart from large-scale investor conferences, the Group also organized a media conference for presenting its results in order to help retail investors keep abreast of its latest business status and development prospects via different media channels so as to enhance transparency and awareness.

Furthermore, during the period, the management has participated in investment summits and roadshows organized by major investment banks and securities companies including Morgan Stanley, Bank of America Merrill Lynch, Deutsche Bank and CICC Securities in Hong Kong, Shanghai, Beijing and Shenzhen. The Group also has regularly posted its annual reports, disclosures and circulars on its corporate website and on the website of Hong Kong Exchanges and Clearing Limited, as well as issued voluntary announcements to inform shareholders and investors about its latest business developments in order to increase its 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 ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the three months ended 31 March, 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, it was confirmed that for the three months ended 31 March, 2019 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 period under review, the Group's primary sources of funds were cash derived from operating activities. As at 31 March, 2019, the Group's cash and bank balances were approximately RMB6,190.31 million (31 December, 2018: approximately RMB6,676.04 million).

CAPITAL STRUCTURE

As at 31 March, 2019, the Group had short term loans of approximately RMB2,812.34 million (31 December, 2018: approximately RMB2,905.58 million) and had long term loans of approximately RMB541.63 million (31 December, 2018: approximately RMB507.07 million).

CHARGE ON ASSETS

As at 31 March, 2019, the Group had charge on assets of approximately RMB373.63 million (31 December, 2018: approximately RMB391.84 million).

CONTINGENT LIABILITIES

As at 31 March, 2019, the Group and the Company had no material contingent liabilities (31 December, 2018: Nil).

ASSETS AND GEARING RATIO

As at 31 March, 2019, the total assets of the Group amounted to approximately RMB51,439.14 million (31 December, 2018: approximately RMB49,780.21 million) whereas the total liabilities amounted to approximately RMB13,475.61 million (31 December, 2018: approximately RMB12,230.68 million). The gearing ratio (total liabilities over total assets) was approximately 26.2% (31 December, 2018: approximately 24.6%).

EMPLOYEE AND REMUNERATION POLICIES

The Group had 21,302 employees as at 31 March, 2019 and 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 employee share incentive schemes. Total staff cost (including Directors' remuneration) for the period was approximately RMB636,447,000 (2018: approximately RMB380,458,000).

The Group adopted the Share Option Scheme on 28 May, 2013 (the "2013 Share Option Scheme") and the Share Award Scheme on 5 January, 2018 (the "2018 Share Award Scheme"), both of which will provide incentive to retain and encourage the selected participants for the continual operation and development of the Group. As of 31 March, 2019, (i) no option in respect of the shares of the Company ("Shares") had been granted under the 2013 Share Option Scheme; and (ii) 47,667,000 Shares were held on trust under the 2018 Share Award Scheme and no Shares had been granted to any selected participant yet.

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 gradual implementation of the centralized drug procurement program in "4+7" cities and its associated effects are bringing about a greater impact on the revenue and profit of the pharmaceutical industry. The National Healthcare Security Administration plans to start making adjustments to the National Drug Reimbursement List in the second half of the year, focusing more on the clinical efficacy and financial impact of medicines and placing particular emphasis on medicines for treating critical illnesses such as cancer and chronic diseases, pediatric medicines and drugs for emergency use. These adjustments represent a clear direction of national policies to support quality products with high value. The rollout of the abovementioned measures is set to change the product landscape of the pharmaceutical industry and at the same time accelerate differentiation of pharmaceutical enterprises. This will subsequently create greater room for development of enterprises like Sino Pharmaceutical boasting strong R&D, production and quality control capabilities.

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 of the Company announces the unaudited consolidated results of the Group for the three months ended 31 March, 2019 together with the comparative consolidated results for 2018 as follows:

Consolidated Statement of Profit or Loss

	Notes	For the three months ended 31 March, 2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
REVENUE	3	**6,208,026**	4,652,614
Cost of sales		**(1,212,940)**	(942,217)
Gross profit		**4,995,086**	3,710,397
Other income and gains	3	**144,694**	177,361
Selling and distribution costs		**(2,454,615)**	(1,986,369)
Administrative expenses		**(511,418)**	(212,193)
Other expenses		**(902,164)**	(643,180)
Including: Research and development costs		***(864,612)***	*(611,800)*
Finance costs	4	**(35,107)**	(23,759)
Share of profits and losses of associates		**3,059**	63,644
PROFIT BEFORE TAX	5	**1,239,535**	1,085,901
Income tax expense	6	**(212,205)**	(158,584)
PROFIT FOR THE PERIOD		**1,027,330**	927,317
Profit attributable to:			
Owners of the parent		**856,702**	771,102
Non-controlling interests		**170,628**	156,215
		1,027,330	927,317
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
– Basic and diluted		**RMB6.80 cents**	RMB6.44 cents

Details of the first quarterly dividend declared for the period are disclosed in note 7 of this announcement.

Consolidated Statement of Comprehensive Income

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**1,027,330**	927,317
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(106,068)**	(89,103)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(106,068)**	(89,103)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**921,262**	838,214
Attributable to:		
Owners of the parent	**753,261**	683,982
Non-controlling interests	**168,001**	154,232
	921,262	838,214

Consolidated Statement of Financial Position

	Notes	**31 March, 2019** **RMB'000** **(Unaudited)**	31 December, 2018 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**5,950,155**	5,804,369
Investment properties		**352,291**	367,664
Prepaid land lease payments		**1,241,161**	1,222,099
Goodwill		**13,896,976**	13,896,976
Other intangible assets		**8,148,349**	8,349,174
Investments in associates		**323,269**	326,329
Equity investments designated at fair value through other comprehensive income		**777,672**	743,280
Deferred tax assets		**467,821**	470,559
Prepayments		**106,155**	61,633
Total non-current assets		**31,263,849**	31,242,083
CURRENT ASSETS			
Inventories		**1,339,036**	1,209,160
Trade and bills receivables		**3,093,103**	2,924,045
Prepayment, deposit and other receivables		**6,744,792**	5,728,193
Equity investments designated at fair value through profit or loss		**176,868**	146,814
Financial assets at fair value through profit or loss		**2,631,185**	1,853,871
Cash and bank balances	*9*	**6,190,308**	6,676,042
Total current assets		**20,175,292**	18,538,125
CURRENT LIABILITIES			
Trade and bills payables		**2,257,778**	1,832,166
Tax payable		**153,119**	246,498
Other payables and accruals		**5,688,053**	4,684,382
Interest-bearing bank borrowings		**2,812,341**	2,905,575
Total current liabilities		**10,911,291**	9,668,621
NET CURRENT ASSETS		**9,264,001**	8,869,504
TOTAL ASSETS LESS CURRENT LIABILITIES		**40,527,850**	40,111,587

	Notes	**31 March, 2019** *RMB'000* **(Unaudited)**	31 December, 2018 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Deferred government grants		**398,065**	532,941
Interest-bearing bank borrowings		**541,631**	507,066
Deferred tax liabilities		**1,624,624**	1,522,056
Total non-current liabilities		**2,564,320**	2,562,063
Net assets		**37,963,530**	37,549,524
EQUITY			
Equity attributable to owners of the parent			
Share capital	*10*	**278,452**	278,846
Treasury shares		**(415,787)**	(457,288)
Reserves		**29,811,328**	29,391,280
		29,673,993	29,212,838
Non-controlling interests		**8,289,537**	8,336,686
Total equity		**37,963,530**	37,549,524

Notes:

1. BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. The financial statements 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 RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited consolidated financial information should be read in conjunction with the 2018 annual financial statements.

The accounting policies and methods of computation used in the preparation of this unaudited consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 December, 2018.

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 three months ended 31 March, 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above. 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

2. OPERATING SEGMENT INFORMATION

The management considers the business from products/services perspective. The three reportable segments are as follows:

(a) the chemical medicines and biopharmaceutical medicines segment comprises the manufacture, sale and distribution of the chemical medicine products and modernized Chinese 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 investments in associates 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 three months ended 31 March, 2019

	Chemical medicines and biopharmaceutical medicines *RMB'000*	Investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	**6,067,150**	**204**	**140,672**	**6,208,026**
Segment results	**1,356,882**	**(14,246)**	**(180)**	**1,342,456**
Reconciliation:				
Interest and unallocated gains				**42,865**
Share of profits and losses of associates				**3,059**
Unallocated expenses				**(148,845)**
Profit before tax				**1,239,535**
Income tax expense				**(212,205)**
Profit for the period				**1,027,330**
Assets and liabilities				
Segment assets	**44,102,483**	**5,431,591**	**1,113,977**	**50,648,051**
Reconciliation:				
Investments in associates				**323,269**
Other unallocated assets				**467,821**
Total assets				**51,439,141**
Segment liabilities	**8,026,394**	**3,350,566**	**320,908**	**11,697,868**
Reconciliation:				
Other unallocated liabilities				**1,777,743**
Total liabilities				**13,475,611**
Other segment information:				
Depreciation and amortisation	**333,992**	**7,076**	**7,322**	**348,390**
Capital expenditure	**211,079**	**42**	**69,486**	**280,607**
Other non-cash expenses	**588**	**18**	**–**	**606**

The segment results for the three months ended 31 March, 2018

	Chemical medicines and biopharmaceutical medicines *RMB'000*	Investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	4,541,004	–	111,610	4,652,614
Segment results	1,037,439	44,283	6,633	1,088,355
Reconciliation:				
Interest and unallocated gains				25,083
Share of profits and losses of associates				63,644
Unallocated expenses				(91,181)
Profit before tax				1,085,901
Income tax expense				(158,584)
Profit for the period				927,317
Assets and liabilities				
Segment assets	18,155,888	14,635,128	921,330	33,712,346
Reconciliation:				
Investments in associates				350,866
Other unallocated assets				435,090
Total assets				34,498,302
Segment liabilities	6,254,354	2,989,559	264,113	9,508,026
Reconciliation:				
Other unallocated liabilities				404,735
Total liabilities				9,912,761
Other segment information:				
Depreciation and amortisation	117,336	7,100	6,490	130,926
Capital expenditure	238,561	66	44,466	283,093
Other non-cash expenses	372	–	–	372

Geographical information

(a) Revenue from external customers

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

(b) Non-current assets

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Hong Kong	**448,370**	11,621,067
Mainland China	**29,542,552**	6,134,162
Others	**27,434**	25,658
	30,018,356	17,780,887

The non-current assets information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

No information about a major customer is presented as no single customer contributes to over 10% of the Group's revenue for the three months ended 31 March, 2019 and 2018.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is the Group's revenue, 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 three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sale of goods	**6,067,150**	4,542,049
Others	**140,876**	110,565
	6,208,026	4,652,614

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**42,865**	25,083
Dividend income	**1,623**	968
Government grants	**7,762**	9,535
Sale of scrap materials	**235**	1,118
Investment income	**54,155**	42,189
Gross rental income	**1,306**	1,233
Others	**12,575**	22,961
	120,521	103,087
Gains		
Gain on disposal of items of property, plant and equipment	**–**	177
Gain on disposal of equity investments	**24,173**	74,097
	24,173	74,274
Total other income and gains	**144,694**	177,361

4. FINANCE COSTS

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**35,107**	23,759

5. PROFIT BEFORE TAX

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

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of sales	**1,212,940**	942,217
Depreciation of property, plant and equipment	**121,077**	86,813
Depreciation of investment properties	**5,596**	5,285
Recognition of prepaid land lease payments	**939**	321
Amortization of other intangible assets	**220,778**	38,507
Research and development costs	**864,612**	611,800
Gain on disposal of items of property, plant and equipment	**–**	(177)
Loss on disposal of items of property, plant and equipment	**606**	372
Bank interest income	**(42,865)**	(25,083)
Dividend income	**(1,623)**	(968)
Investment income	**(54,155)**	(42,189)
Fair value losses, net:		
Equity investments at fair value through profit or loss	**14,603**	26,909
Auditors' remuneration	**1,175**	1,461
Staff cost (including directors' remuneration)		
Wages and salaries	**497,946**	302,788
Pension contributions	**138,501**	77,670
	636,447	380,458
Accrual of impairment loss of trade receivables	**22,343**	4,099
Foreign exchange differences, net	**(17,296)**	(37,337)

6. INCOME TAX EXPENSE

	For the three months ended 31 March,	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Group:		
Current – Hong Kong	**–**	–
Current – Mainland China income tax	**225,792**	132,780
Deferred tax	**(13,587)**	25,804
Total tax charge for the period	**212,205**	158,584

Pursuant to Section 6 of Tax Concessions Law (2011 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Cabinet that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations.

The subsidiaries incorporated in the BVI are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI.

Hong Kong profits tax has been provided at a rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

During the three months ended 31 March, 2019, CT Tianqing, Beijing Tide, NJCTT, Jiangsu CT Fenghai, Jiangsu CT Qingjiang, Qingdao CT 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 2019.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

7. DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared the payment of the first quarterly dividend of HK2 cents per ordinary share for the three months ended 31 March, 2019 (2018: HK2 cents). The first quarterly dividend will be paid to shareholders on Friday, 5 July, 2019 whose names appear on the register of members of the Company on Friday, 21 June, 2019. For the purpose of determining shareholders who are qualified for the first quarterly dividend, the register of members of the Company will be closed from Tuesday, 18 June, 2019 to Friday, 21 June, 2019, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the first quarterly dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Monday, 17 June, 2019.

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

The calculation of the earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the period of approximately RMB856,702,000 (2018: approximately RMB771,102,000), and the weighted average number of ordinary shares of 12,591,798,176 (2018: 11,973,712,322, having taken into account the bonus shares issued in June 2018) in issue during the period.

9. CASH AND BANK BALANCES

	31 March, 2019	31 December, 2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash and bank balances, unrestricted	**2,361,059**	3,956,986
Time deposits with original maturity of less than three months	**2,280,004**	2,278,043
Time deposits with original maturity of more than three months	**1,549,245**	441,013
	6,190,308	6,676,042

10. SHARE CAPITAL

	31 March, 2019	31 December, 2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Issued and fully paid:		
12,588,304,487 ordinary shares of HK$0.025 each (2018: 12,606,800,487 ordinary shares of HK$0.025 each)	**278,452**	278,846

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

The Company 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 two with financial management expertise. Details of their biographies have been set out in the 2018 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 unaudited consolidated financial statements of the Company for the three months ended 31 March, 2019.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 31 March, 2019, the Company bought back a total of 8,125,000 Shares on the Stock Exchange at an aggregate consideration of approximately HK$37.50 million before expenses. The bought back Shares were subsequently cancelled. Further details are set out as follows:

		Purchase consideration per Share		
Month	**Number of Shares bought back**	**Highest**	**Lowest**	**Aggregate consideration paid**
		HK$	*HK$*	*HK$*
January	8,125,000	4.63	4.57	37,504,188

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

By Order of the Board
Sino Biopharmaceutical Limited
Tse, Theresa Y Y
Chairlady

Hong Kong, 21 May, 2019

As at the date of this announcement, the Board of the Company comprises seven Executive Directors, namely Miss Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling, Mr. Tse Hsin, Mr. Wang Shanchun, Mr. Tian Zhoushan and Ms. Li Mingqin and four Independent Non-Executive Directors, namely Mr. Lu Zhengfei, Mr. Li Dakui, Ms. Lu Hong and Mr. Zhang Lu Fu.