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SINO BIOPHARMACEUTICAL LIMITED

中國生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

Website: www.sinobiopharm.com

(Stock code: 1177)

1. PROPOSED BONUS ISSUE OF SHARES
2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

1. PROPOSED BONUS ISSUE OF SHARES

The Board proposes a bonus issue of Shares on the basis of one new Share for every two existing Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The principal terms of the Bonus Issue are set out below.

(1) Basis of the Bonus Issue

Subject to the conditions set out under the paragraph headed “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par value on the basis of one Bonus Share for every two existing Shares held by the Qualifying Shareholders on the Record Date.

Assuming that no further Shares will be issued or repurchased on or before the Record Date, on the basis of 12,581,751,487 existing Shares in issue as at the date of this announcement, it is expected that a total of 6,290,875,743 new Shares would be allotted and issued under the Bonus Issue, representing 50% of the existing issued share capital of the Company as at the date of this announcement, or 33.33% of the issued share capital of the Company as enlarged by the Bonus Issue. Upon completion of the Bonus Issue, there will be a total of 18,872,627,230 Shares.

The Bonus Shares will be credited as fully paid at par by way of capitalisation of the amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company.

(2) Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Bonus Issue; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

(3) Overseas Shareholders

The Company will make enquiry and, if necessary, seek legal advice(s) from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholders. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those Overseas Shareholders, i.e. the Non-Qualifying Shareholders.

In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold on the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, will be distributed in Hong Kong dollar to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk. If the amount falling to be distributed to any such persons is less than HK\$100.00, the amount will be retained for the benefit of the Company.

The Overseas Shareholders should consult their professional advisers as to whether they are permitted to participate in the Bonus Issue and the taxation consequences of their decision. It is the responsibility of the Shareholders who wish to receive the Bonus Shares under the Bonus Issue to comply with the laws of the relevant jurisdiction(s) to which they are subject.

(4) Status of the Bonus Shares and fractional entitlements

The Bonus Shares, upon issuance, will rank *pari passu* with the then existing Shares in all respects, including the entitlements of receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of the Bonus Shares.

There will not be any fractional entitlements to the Bonus Shares. Bonus Shares representing fractional entitlement will be aggregated and issued to a nominee to be nominated by the Board. Such Bonus Shares (if any) will be sold and the net proceeds, after deducting the related expenses therefrom, will be retained for the benefit of the Company.

(5) Listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

(6) Reasons for the Bonus Issue

The Board considers that the Bonus Issue will allow the Shareholders to participate in the business growth of the Company and the increase in the number of Shares to be held by the Shareholders which will enable them to enjoy more flexibility in managing their own investment portfolios.

(7) Expected timetable

The expected timetable for the Bonus Issue is set out below:

	Date (2020) <i>(Hong Kong time)</i>
Despatch of circular and notice of the EGM	Wednesday, 24 June
Latest time for lodging transfer of Shares for registration in order to be entitled to attend the EGM	4:30 p.m. on Thursday, 9 July
Closure of register of members for attending and voting at the EGM	Friday, 10 July – Wednesday, 15 July (both days inclusive)
Latest time to return form of proxy for the EGM	11:00 a.m. on Monday, 13 July
Record date for attending and voting at the EGM	Wednesday, 15 July
Date and time of the EGM	11:00 a.m. on Wednesday, 15 July
Publication of poll results announcement of the EGM	Wednesday, 15 July
Last day of dealings in Shares cum-entitlements to the Bonus Shares	Friday, 17 July

First day of dealings in Shares ex-entitlements to the Bonus Shares	Monday, 20 July
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. on Tuesday, 21 July
Closure of register of members for determination of entitlement to the Bonus Shares.	Wednesday, 22 July – Friday, 24 July (both days inclusive)
Record Date for determination of entitlement to the Bonus Shares	Friday, 24 July
Register of members re-opens	Monday, 27 July
Certificates for the Bonus Shares expected to be despatched	Monday, 3 August
Dealings in Bonus Shares commence.	9:00 a.m. on Tuesday, 4 August

The above timetable is subject to change and to the fulfilment of the conditions of the Bonus Issue. The Company will announce if the above timetable changes in compliance with the Listing Rules.

(8) Entitlement-the Record Date

In order to qualify for the Bonus Issue, all transfers of Shares accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited, the Hong Kong branch share registrar of the Company, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 July 2020.

The register of members of the Company will be closed from Wednesday, 22 July 2020 to Friday, 24 July 2020 (both days inclusive), both days inclusive, during which period no transfer of Shares will be registered.

(9) Certificates for the Bonus Shares

It is expected that certificates for the Bonus Shares will be posted on Monday, 3 August 2020, after the Bonus Issue has become unconditional at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date.

(10) Share options

The Company has adopted a share option scheme on 28 May 2013. As at the date of this announcement, no share option had been granted under the scheme.

(11) Convertible bonds

As at the date of this announcement, the Company has convertible bonds due 2025 in the principal amount of Euro 750,000,000 entitling the bondholders thereof to convert for a total of 338,380,041 Shares at the conversion price of HK\$19.09 per Share. Further announcement will be made in relation to the adjustment to the conversion price to the bonds in accordance with the terms and conditions of the bonds.

2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the Company has an authorised share capital of HK\$ 500,000,000.00 divided into 20,000,000,000 Shares.

To provide the Company with greater flexibility for future development, the Board proposes to increase the authorised share capital of the Company to HK\$750,000,000.00 divided into 30,000,000,000 Shares by the creation of an additional 10,000,000,000 new Shares. Such new Shares, upon issue, shall rank *pari passu* in all respects with the existing Shares.

The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

3. GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Bonus Issue and the Increase in Authorised Share Capital. A circular containing, among other things, further details about the Bonus Issue and the Increase in Authorised Share Capital and the notice convening the EGM will be despatched to the Shareholders as soon as practicable.

In order to attend and vote at the EGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited, the Hong Kong branch share registrar of the Company, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 9 July 2020. The register of members of the Company will be closed from Friday, 10 July 2020 to Wednesday, 15 July 2020 (both days inclusive), during which no transfer of Shares will be registered.

4. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of directors of the Company
“Bonus Issue”	the proposed bonus issue of the Bonus Shares on the basis of one new Share for every two existing Shares held on the Record Date
“Bonus Shares”	the new Shares proposed to be issued under the Bonus Issue
“Company”	Sino Biopharmaceutical Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1177)
“EGM”	the general meeting of the Company to be held to approve the Bonus Issue and the Increase in Authorised Capital, or any adjournment thereof
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the increase in authorised share capital of the Company from HK\$500,000,000.00 divided into 20,000,000,000 Shares to HK\$750,000,000.00 divided into 30,000,000,000 Shares by the creation of an additional 10,000,000,000 new Shares
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-qualifying Shareholders”	the Overseas Shareholder(s) that the Board, after making enquiries, considers it necessary or expedient not to extend the Bonus Issue on account either of legal restrictions under the laws of the relevant place or the requirements of any relevant foreign regulatory body or stock exchange in that place not to extend the Bonus Issue
“Overseas Shareholders”	Shareholder(s) whose addresses appear(s) on the register of members of the Company on the Record Date is(are) outside Hong Kong

“Qualifying Shareholders”	holders of Shares as shown on the register of members of the Company on the Record Date (other than the Non-qualifying Shareholders)
“Record Date”	Friday, 24 July 2020, being the date for ascertaining the entitlement of the Shareholders under the Bonus Issue
“Share(s)”	shares of nominal value of HK\$0.025 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 10 June, 2020

As at the date of this announcement, the Board of the Company comprises eight Executive Directors, namely Ms. Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling, Mr. Tse, Eric S Y, 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.