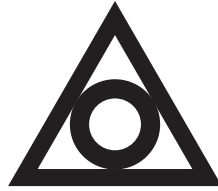


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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](http://www.sinobiopharm.com)*

**(Stock code: 1177)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF EQUITY INTEREST IN CP QINGDAO**

**THE DISPOSAL**

On 6 February 2024, the Board resolved to dispose part of the equity interest in CP Qingdao, and the Vendors, both being subsidiaries of the Company, entered into the Agreement with the Purchasers, the Minority Shareholder and CP Qingdao under which the Vendors agreed to sell the Sale Shares, representing 67% of the registered capital of CP Qingdao, to the Purchasers for an aggregate consideration of RMB1,819.72 million.

CP Qingdao is principally engaged in the research and development, production and sale of osteoporosis medicines and marine pharmaceuticals. CP Qingdao is currently owned as to 93% by the Group. Upon completion of the Disposal, the Group will continue to hold a 26% interest in CP Qingdao.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE DISPOSAL

On 6 February 2024, the Board resolved to dispose part of the equity interest in CP Qingdao, and the Vendors, both being subsidiaries of the Company, entered into the Agreement with the Purchasers, the Minority Shareholder and CP Qingdao under which the Vendors agreed to sell the Sale Shares, representing 67% of the registered capital of CP Qingdao, to the Purchasers for an aggregate consideration of RMB1,819.72 million.

### Major terms of the Agreement

The major terms of the Agreement are summarized below:

- Consideration:** The aggregate consideration for the Disposal is RMB1,819.72 million. The consideration was determined after arm's length negotiations between the parties based on normal commercial terms, taking into account (i) the financial condition of CP Qingdao over the previous years and (ii) the future growth potential of CP Qingdao as well as the current status and prospect of the particular market segment in which CP Qingdao has a leading position.

The consideration will be paid by the Purchasers in accordance with the following schedule:

- the first instalment of an amount of RMB1,455.78 million will be paid by the Purchasers on the fifth business days after the registration of the transfer of the Sale Shares to the Purchasers and completion of the necessary procedures that are required for the payment; and
  - the second instalment in the amount of RMB363.94 million will be paid by the Purchasers on the first anniversary of the registration of the transfer of the Sale Shares to the Purchasers.
- Sale Shares:** The Vendors will sell the Sale Shares to the Purchasers. Details of the change in the shareholdings of CP Qingdao as at the date of this announcement and upon completion of the Disposal are set out below:

	<b>Percentage of equity interest in CP Qingdao as at the date of this announcement</b>	<b>Percentage of equity interest in CP Qingdao upon completion of the Disposal</b>
First Vendor	51%	–
Second Vendor	42%	26%
Minority Shareholder	7%	7%
First Purchaser	–	62%
Second Purchaser	–	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

3. **Conditions precedent:** Completion of the Disposal is conditional upon the satisfaction of, among others, the following conditions:
- (1) CP Qingdao has completed the industrial and commercial registration or filing procedures for the changes in shareholders of CP Qingdao, amendments to its articles of association, and changes in directors and supervisors with the Market Supervision Bureau, and the new business license of CP Qingdao has been issued;
  - (2) the Purchasers have obtained the necessary approvals, consents and filings from the relevant government departments and has passed antitrust review (if necessary);
  - (3) the key employees of CP Qingdao identified in the Agreement have not tendered resignation and remain employees of CP Qingdao as at the date of completion; and
  - (4) CP Qingdao has resolved that the declared and unpaid dividend in the sum of approximately RMB364 million will be retained by CP Qingdao to continue the support of CP Qingdao's future innovative business development.

### INFORMATION ON CP QINGDAO

CP Qingdao is a limited liability company established in the PRC, the principal business of which is the research and development, production and sale of osteoporosis medicines and marine pharmaceuticals. CP Qingdao is owned as to 93% by the Vendors and as to 7% by the Minority Shareholder, and is currently accounted for as a subsidiary of the Company with its financial statements consolidated with the accounts of the Company.

Set out below is the consolidated financial information of CP Qingdao for the years ended 31 December 2022 and 31 December 2023:

	<b>For the year ended 31 December</b>	
	<b>2022</b>	<b>2023</b>
	<i>RMB' 000</i>	<i>RMB' 000</i>
	(audited)	(unaudited)
Net profit before taxation	561,483	239,132
– excluding one-off land demolition and relocation compensation	Not applicable	174,417
Net profit after taxation	488,055	207,909
– excluding one-off land demolition and relocation compensation	Not applicable	152,901

The unaudited net asset value of CP Qingdao as at 31 December 2023 was approximately RMB302,933,000.

## FINANCIAL IMPACT OF THE DISPOSAL

Subject to audit, it is estimated that the Group will realise a gain on disposal of approximately RMB1,600 million (net of taxes), which is calculated by reference to the carrying value of CP Qingdao as at 31 December 2023 and includes a change in the fair value of the Group's remaining 26% interest in CP Qingdao after the Disposal. The actual gain in connection with the Disposal may be different from the above and will be determined based on the financial position of CP Qingdao upon completion of the Disposal. The proceeds from the Disposal will be used by the Group for research and development expenditure, manufacturing facilities construction, sales and marketing and general corporate purposes.

The parties shall exercise their reasonable endeavours to complete the transactions contemplated under the Agreement as soon as practicable within the first quarter of 2024.

Upon completion of the Disposal, the Group will continue to hold a 26% interest in CP Qingdao. CP Qingdao will cease to be accounted for as a subsidiary of the Company.

## REASONS FOR THE DISPOSAL

The Group is committed to becoming a leading comprehensive pharmaceutical company driven by innovation and internationalization, and continues to invest resources to promote the development of new products in the four major therapeutic areas of oncology, liver diseases, respiratory diseases and surgery/analgesia, promote the research and development of innovative drugs and strengthen its global layout.

The Purchasers belong to Qingdao Guoxin Development (Group) Co., Ltd.\* (青島國信發展(集團)有限公司, or “**Guoxin Group**”). Guoxin Group is a State-owned enterprise under the State-owned Assets Supervision and Administration Commission of Qingdao City. It focuses on the three areas of marine, finance, and urban development construction and operational services, and has strong industry operational capabilities and financial strengths. Through this transaction, Guoxin Group plans to enter the greater life and health industry characterized with marine biological pharmaceuticals by leveraging on CP Qingdao, and to establish market-oriented business structure and model in the greater health field, with an aim to further enhance the core competitiveness of CP Qingdao by vigorously developing the greater life and health industry characterized with marine biological pharmaceuticals. Guoxin Group intends to explore the possibility of capital operations for CP Qingdao at an appropriate time in the future to help CP Qingdao to become a leading enterprise in fields of osteoporosis medicines and marine biological pharmaceuticals in China and globally.

As the Disposal is being carried out after arm's length negotiations and on normal commercial terms, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is a leading, innovative and research and development driven pharmaceutical conglomerate in the PRC. Its products including biopharmaceutical and chemical medicines that enjoy an advantageous position in a host of therapeutic areas, such as tumors, liver diseases, respiratory diseases and surgery/analgesia.

### **The First Vendor**

The First Vendor is company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

### **The Second Vendor**

The Second Vendor is a limited liability company established in the PRC. It is a wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

### **The Minority Shareholder**

The Minority Shareholder is a limited liability company established in the PRC and is principally engaged in the business of investment holding. The Minority Shareholder is an employees' shareholding platform, and is beneficially owned by 9 employees of the Group, of whom Mr. Wang Minggang and Ms. Yang Jing beneficially own approximately 29% and 26%, respectively, equity interest in the Minority Shareholder.

### **The First Purchaser**

The First Purchaser is a limited liability company established in the PRC and is principally engaged in the business of outward investment of internal funds and provision of investment advisory and management services, etc. Its controlling shareholder is a subsidiary of Guoxui Group, a State-owned enterprise with principal functions of operating State-owned capital, management of State-owned equity and making investment, capital operations and assets management.

## The Second Purchaser

The Second Purchaser is a limited liability partnership established in the PRC and is an equity investment fund. The controlling shareholder of its executive partner is a subsidiary of Guoxin Group.

To the best knowledge of the Directors, having made reasonable enquiry, the Purchasers, the Minority Shareholder and their ultimate beneficial owners are not connected persons of the Company.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the equity transfer agreement entered into by the Vendors, the Purchasers, the Minority Shareholder and CP Qingdao;
“Board”	the board of directors of the Company;
“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);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“CP Qingdao”	正大製藥(青島)有限公司 (CP Pharmaceutical (Qingdao) Co., Ltd.*), a limited liability company established in the PRC;
“Director(s)”	the director(s) of the Company;
“Disposal”	the sale of the Sale Shares to the Purchasers;
“First Purchaser”	青島海洋創新產業投資基金有限公司 (Qingdao Ocean Innovative Products Investment Fund Co., Ltd.*), a limited liability company established in the PRC;
“First Vendor”	Chia Tai Wing Fuk Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Minority Shareholder”	青島海淳投資諮詢有限公司 (Qingdao Haichun Investment Consultancy Co., Ltd.*), a limited liability company established in the PRC;

“PRC”	the People’s Republic of China;
“Purchasers”	the First Purchaser and the Second Purchaser;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	67% of the registered capital of CP Qingdao;
“Second Purchaser”	青島市海洋新動能產業投資基金(有限合夥)(Qingdao Ocean New Kinetic Energy Products Investment Fund (Limited Partnership)*), a limited partnership established in the PRC;
“Second Vendor”	正大製藥投資(北京)有限公司 (Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.*), a limited liability company established in the PRC, a wholly-owned subsidiary of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendors”	the First Vendor and the Second Vendor;
“%”	per cent.

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

Hong Kong, 6 February 2024

*As at the date of this announcement, the Board of the Company comprises seven executive directors, namely Ms. Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling, Mr. Tse, Eric S Y, Mr. Tse Hsin, Mr. Tian Zhoushan and Ms. Li Mingqin and five independent non-executive directors, namely Mr. Lu Zhengfei, Mr. Li Dakui, Ms. Lu Hong, Mr. Zhang Lu Fu and Dr. Li Kwok Tung Donald.*

\* *For identification only*